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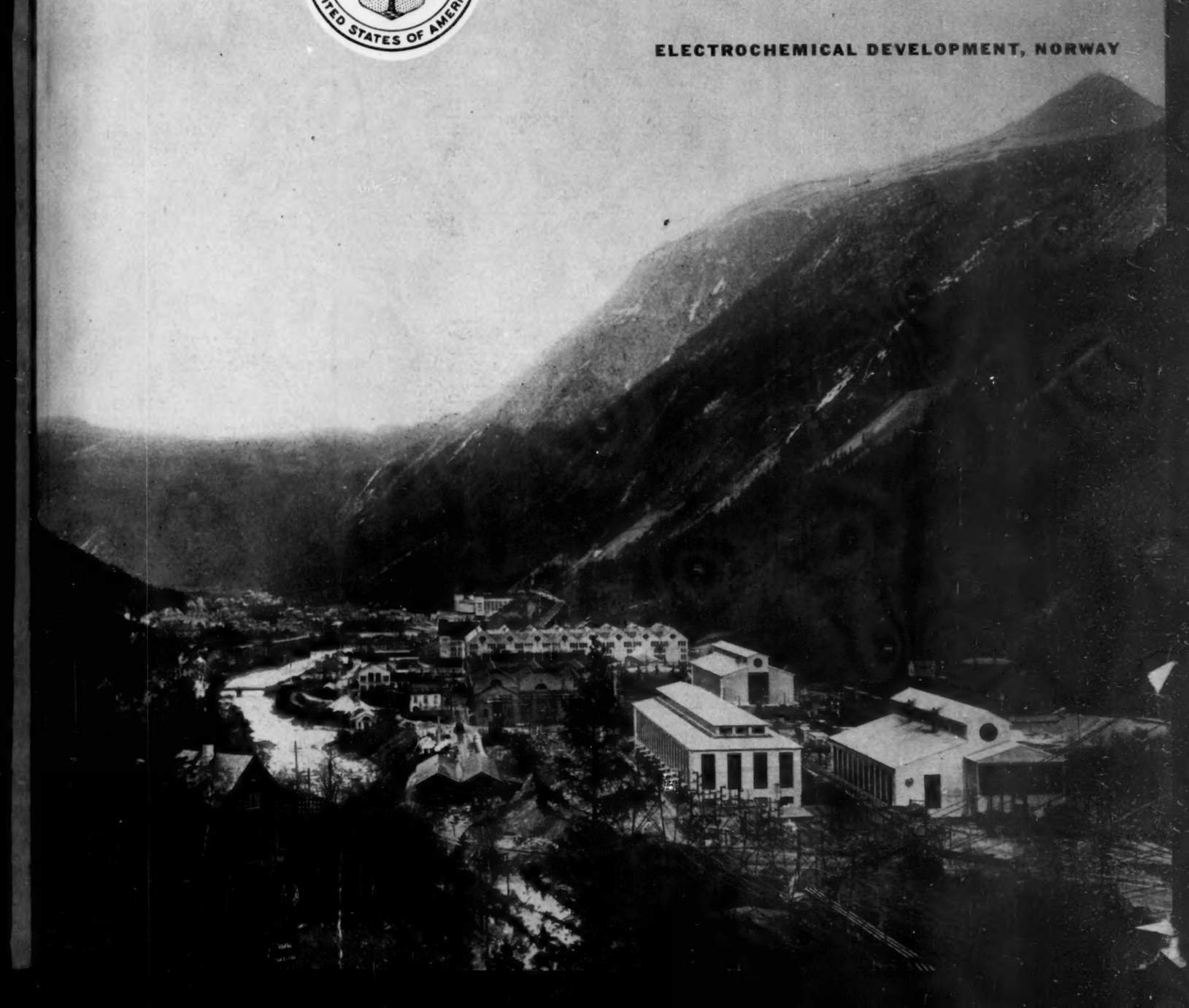
ELECTROCHEMICAL DEVELOPMENT, NORWAY



Foreign Commerce Weekly

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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, *Secretary*

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Savannah, Ga., 403 U. S. Post Office and Courthouse Bldg.
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New Forces in World Economy

With Understanding Realism, We Must Cope With Dynamic Changes

By AMOS E. TAYLOR, *Director, Bureau of Foreign and Domestic Commerce*[1]

ANY CURRENT ANALYSIS of international economic relations, in order to be realistic, must recognize the dynamic character of the modern world economy. Modes of contact among the peoples of the world must necessarily undergo change, and they assume a new significance when time and space are shrinking day by day. The shifts in economic organization which are certain to stem from the present period of global war simply accentuate the changes which were born of the first World War, the implications of which we long failed to understand.

War has unloosened latent energies to a degree not thought possible a decade ago. Energy stored up in the air, in the earth and in flowing streams has made us conscious of dynamic forces of almost limitless possibilities for destruction or for constructive effort, whichever we choose. Not only have we become conscious of new sources of economic power but the war has provided a stage on which we are able to demonstrate the meaning of such power before the peoples of all the world.

The world is in process of rapidly becoming a single community. With the political implications of this important fact I shall not attempt to deal. Rather do I want to examine the meaning of all this in the field of economic relations and trade policy.

Realism Required

The United States has truly been the "arsenal of democracy" during the war. A combination of factors will assure this country a peculiarly strong and unique position after the war. The United States is certain to appear on the world stage with a tremendous capacity to produce. Unlike the industrial plant of Britain or that of continental Europe, the manufacturing facilities of the United States will have suffered no wartime destruction. In actual capacity this country will barely fall short of matching the rest of the world combined.

We shall probably not find it possible to agree in detail on the significance of the change in the position of the United States among the industrial nations of the world. We shall likely arrive at many different conclusions as to the implications of Great Britain's greatly altered creditor-debtor status and its bearing on United States trade policy. But I believe that it is clear to all of us that the position of the United States in the world economy is no longer that of the nineteenth century and that any effort to return simply to the "good old days" is *unrealistic*.

New Approach Needed

In the field of commercial policy much of our thinking still harks back to the time when we were a debtor nation. It is both profitable and comfortable to be a debtor nation at a time when the outside world is eager to have the goods for which the debtor needs a market and when the machinery of international payment is functioning smoothly. The export balance of trade, which continued with virtually no break after the 1870's, reflected the need by the foreign lenders for our cotton, wheat, and other products. We literally enjoyed the privilege of working for our creditors!

By the turn of the century the relative position of particular groups of products among our exports was clearly shifting. Agricultural exports, though remaining high, represented a declining fraction of our total shipments, while industrial products gradually assumed a greater and greater degree of importance, both absolutely and relatively.

The story of our shift to a net creditor position during the first World War is well known, and I shall not dwell on it here. However, much of our subsequent thinking on trade policy was confused, since we were apparently not psychologically prepared for the sudden change. There was a general tendency to oversimplify the problem of tariff policy. One school of thought, influenced by the knowledge that Great Britain's position as a creditor nation was directly reflected in that country's merchandise import balance, predicated all its arguments on the premise that the United States as a creditor must of necessity have an import merchandise balance. This approach ignored the fact that the United States was a net debtor on international service account whereas Great Britain was a net seller of such important services as shipping, insurance, and banking. At the other extreme, the problem was oversimplified by those who sought refuge in the convenient haven of traditionalism—a view which ignored the fact that the United States was industrially more mature than at the beginning of the century, and which failed to observe that the changed position of this country after the first World War had a real significance for both labor and industry in the United States.

There was, moreover, a tendency throughout the inter-war period to consider tariffs as the only element in international trade policy—all this at a time when a system of exchange controls and trade barriers was forcing international trade to lower and lower levels and shifting world commerce into uneconomic grooves.

Must Avoid Oversimplifying

It is obviously not a simple operation to develop a thoroughly constructive approach to international trade policy. Within the country individual interests are different and not easily merged into agreement. Under a democratic system we can afford to recognize these differences without doing violence to the machinery of policy formulation. There is danger, however, that we may again try to avoid the painful processes of working to a sound solution by oversimplifying the problem. One of these dangers is reflected in the tendency, already evident in some quarters, to base all discussion on the assumption that the only alternative to excessive tariffs and other trade restrictions is a system of universal free trade.

Man's fundamental desire is to eat and live. If he is denied food and shelter, or the right to exchange his labor for food and shelter, there is bound to be trouble. I am personally convinced that the average human prefers to work for his liveli-

[1] This article is based on Dr. Taylor's recent address, in New York City, before the annual meeting of the Synthetic Organic Chemical Manufacturers Association of the United States.

hood rather than to be the recipient of a dole. What I am still more certain of is that it is better to have him prefer to work than it is to train him to prefer loafing. Too many loafers may mean trouble even if they are well fed. Under the momentum of wartime needs we have set the stage for a sharp increase in output per worker after the war even after allowing for shorter hours and more leisure. Production and employment on a high level must go together, and the social and fiscal consequences of anything less can hardly be minimized.

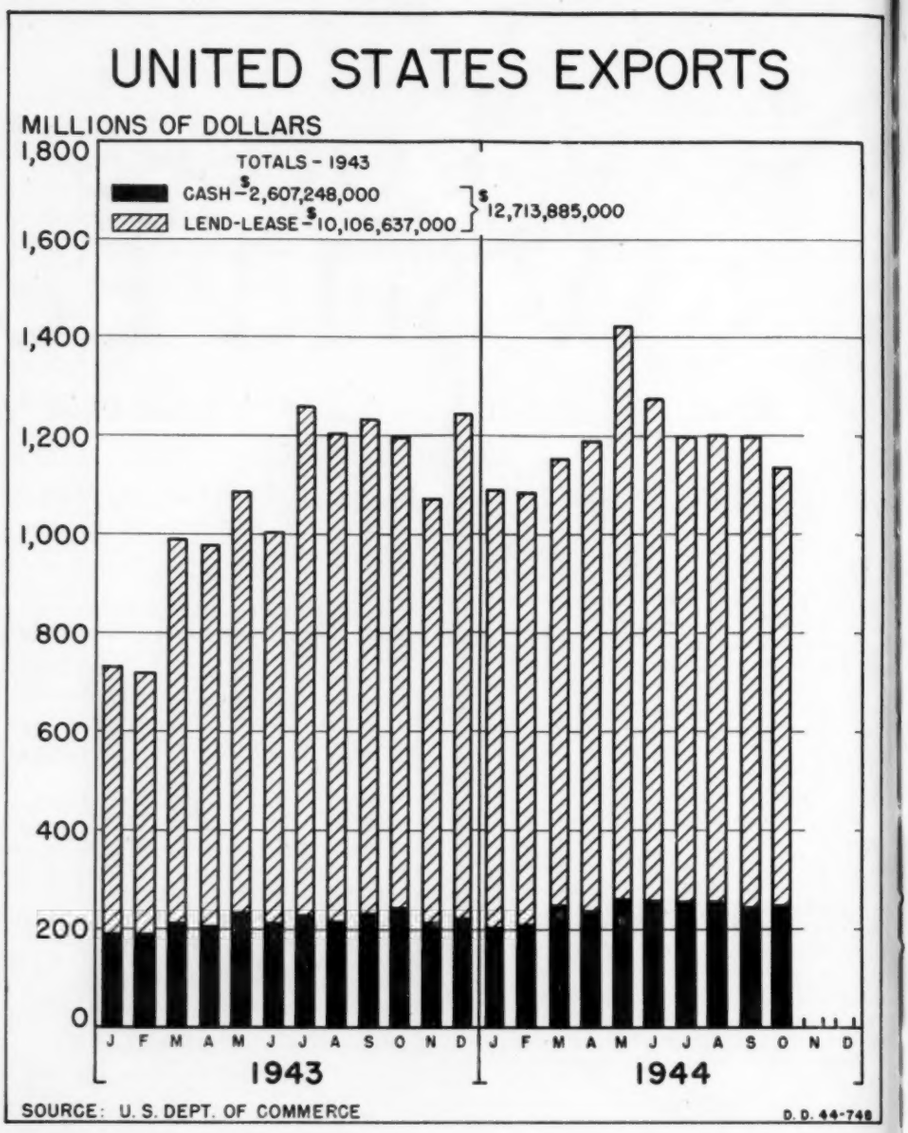
The practice of making a living and the development of sound international economic policy are concretely combined in the field of foreign trade. Probably the most practical way to remove a certain traditional veil of mystery from foreign trade is to accept frankly the fact that the world is becoming economically more and more interdependent. Not only have changes in transportation and communication accelerated this tendency but the peculiar manner in which the world's essential resources are distributed is impressing this truth more and more upon both industrialist and statesman.

Self-Sufficiency Illusive

I have heard the view expressed that modern technology should make it possible for the United States to be less dependent upon international trade rather than more so as compared with the past. I am not qualified to discuss the potentialities of synthetics and substitutes. It seems to me, however, that this is another of the dangerous oversimplifications to which I have referred. Even if an extremely high degree of self-sufficiency were possible of achievement in the United States we should have to assure ourselves at once of an equally high degree of political isolation, something which, in my opinion, this war has conclusively demonstrated is impossible. For it must be remembered that many countries could not conceivably maintain a standard of living high enough to guarantee social stability and peace unless they were to exist in a world in which a flow of goods and services continued on a reasonably high level. I do not see how this would be possible unless the United States were in a true sense part of the world economy.

Export Benefits Pervasive

Again, our export trade is much more important to our business prosperity than is assumed by those who attempt to measure its importance by comparing the value of products exported to the value of total output. I shall not review all the fallacies in this oversimplified view, but I do want to pose one question of practical interest to American business firms. Is the availability of markets abroad, even for a relatively small percentage of our total production, of any interest to the average American concern? I put the question in this form since many firms are not directly engaged in export trade. Let us take the automobile as our sample product. Our motor manufacturers have long been interested in foreign markets and will presumably reenter the export markets after the war. The number of materials entering the final product is so large that when we sell a car abroad we are in effect marketing a large number of different products, the manufacture of which is participated in by business concerns from one end of the country to the other.



Our Prosperity Is Vital Key

At a time when American business concerns have approximately $7,000,000,000 invested abroad in various properties it is hardly possible to say that we can afford to be indifferent to conditions in the rest of the world. At the same time we cannot be oblivious to the stake which the rest of the world has in this country, partly in investments here but more particularly in our level of business activity. For it must be remembered that our imports provide the outside world with buying power which not only supports our export trade but also contributes materially to the maintenance of a standard of living throughout the world which would otherwise not be possible. It can be truly said that the contribution made to economic and social stability by our need for the world's products is a correspondingly important contribution to world peace.

I do not wish to imply that this country should shoulder a disproportionate responsibility for the maintenance of peace nor do I wish to say that world prosperity alone is enough of a guarantee against war. It is my conviction, however, that the seeds of war are less likely to germinate if the peoples of the world can freely exchange the products of their efforts. The level of business activity in the United States is the most important single factor in keeping the world's goods moving. Since we have had impressed upon us by our experiences of the past few decades the fact that trade is a two-way operation, that our imports must in the long run finance our exports, and that the fate of one country is a matter of concern to the rest, we must neces-

(Continued on p. 39)

What Outlook for Fertilizer Exports?

By C. C. CONCANNON, *Chief, Chemical Unit, Bureau of Foreign and Domestic Commerce*

NO COUNTRY is more abundantly supplied with the basic fertilizer raw materials than the United States. Large phosphate-rock and sulfur reserves are in existence within its borders; facilities for the production of synthetic and by-product nitrogen are the greatest in the world; and there is potash sufficient for years to come. All these riches place the United States in the position of being not only the largest producer of fertilizers in the world, but they also offer it the opportunity of being the leading exporter. Fertilizer exports, however, from the United States have in the past represented but a small proportion of the amounts produced.

According to the Census report for 1939, the United States fertilizer industry, embracing establishments primarily engaged in the manufacture of commercial fertilizers and superphosphates or in the mixing of fertilizer materials, included 764 plants with an annual output valued in excess of $186,000,000. Additional fertilizer material is produced and delivered direct to the consumers and therefore does not pass through mixing plants.

U. S. Exports, by Value

Since 1929, the value of fertilizers and fertilizer materials exported from the United States has fluctuated greatly, from peaks of more than $20,000,000 in 1929 and 1940 to a low in 1933 of only $8,300,000. The annual average value of fertilizer exports during 1929 to 1939 was $14,600,000. In 1940 an appreciable increase occurred and value rose to $20,200,000, then declined to $19,100,000 in 1941, and $14,800,000 in 1942. Almost every country in the world at one time or another has taken United States fertilizers. Some countries have been consistent consumers of small quantities, the use of which deserves investigation to learn the purpose and the results obtained.

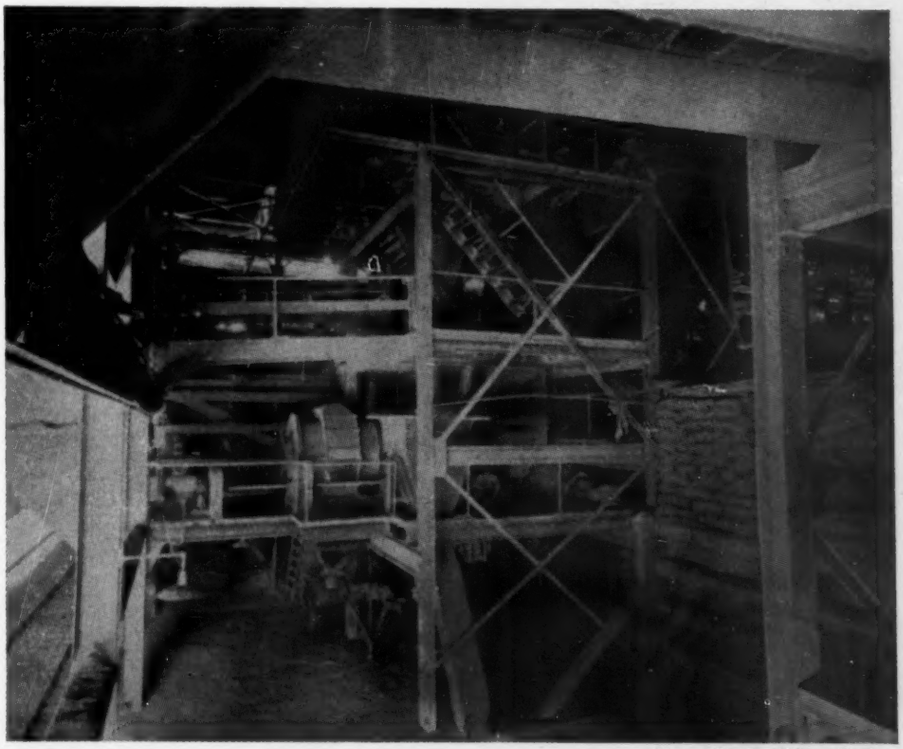
It is logical to assume that methods adopted in the United States for broadening fertilizer consumption should bring favorable results in export markets, and that the future annual volume of fertilizer exports should exceed peak levels of the past. A Department of Commerce publication, "Foreign Trade After the War," suggests that the post-war value of fertilizer exports might be in the order of $24,000,000 annually, and that the total volume of all United States exports may approximate $7,000,000,000 annually, provided the United States purchases of foreign goods, services, and investments are large enough to support an export trade of such magnitude. These figures are, however, only mechanical projections of past relationships, and the annual value of fertilizer exports, in particular, might well be higher if American producers seek to develop their foreign outlets.

World Consumption

The United States has been the world's largest consumer of fertilizers, and during the current war period its consumption has expanded far more than in any other country. In 1942, United States consumption was slightly in excess of 10,000,000 tons and in 1943 was estimated to have exceeded 11,500,000 tons. Recent consumption figures for other countries are not available, but it is doubtful if they approximate even the figures of 1936, shown in the following table. In the post-war period consumption is certain to increase greatly, especially in the fighting areas where food production has been low. The United States will be in a position to furnish a large proportion of this expanded world consumption.

An estimate of the total world consumption of fertilizers during the calendar year 1936 was prepared by the First World Fertilizer Congress held in Rome. According to figures which may be regarded as fully authenticated and as accurate as the statistics at the disposal of authorities will permit, the world consumption of fertilizers in 1936 was 41,929,500 metric tons apportioned as shown in the following table.

The 41,929,500 tons of fertilizer consumed by the world contained 8,561,750



From the Fertilizer Review

In a U. S. fertilizer plant.

tons of pure plant food. Of the total tonnage consumed, 28.65 percent was nitrogenous, 54.51 phosphatic, and 16.84 potassic. The estimated cost to the farmers was approximately $950,000,000.

World Consumption of Fertilizer, 1936

Fertilizer material	Total quantity of fertilizer product	Quantity consisting of plant food
	Metric tons	*Metric tons*
Nitrogen, total	12,013,000	2,214,000
Ammonium sulfate [1]	5,257,000	1,083,000
Chile nitrate	1,403,000	221,000
Calcium cyanamide	1,340,000	268,000
Other synthetic nitrogenous fertilizers	4,013,000	642,000
Phosphoric acid, total	22,855,000	4,052,750
Superphosphate	15,700,000	2,669,000
Basic slag	5,000,000	800,000
Ground phosphates	1,000,000	285,000
Bones and organics	350,000	105,000
Guano	250,000	32,500
Treated phosphates	250,000	71,250
Concentrates - phosphate rock (at 29.5 percent)	305,000	90,000
Potash (all products)	7,061,500	2,295,000
Grand total	41,929,500	8,561,750

[1] Includes ammonia for mixed fertilizers.

Fertilizer Materials, U. S.

The world supply of fertilizers is dependent on three basic elements—phosphorus, nitrogen, and potash. Source materials for all these are readily available in the United States for shipment to world-consuming markets. Many of the largest plants are located on deep water where they have their own wharves with adequate and up-to-date loading facilities. Or, as exists in the Florida phosphate-rock section, a district is serviced by the railroads which transport the products in cars especially built for loading full cargoes on short notice to avoid demurrage. No better facilities for export could possibly exist.

PHOSPHATES

The United States has been a major factor in the world supply of phosphates for many years, having furnished in 1937, for example, 13 percent of the world's consumption outside of its own. The world fertilizer industry is dependent on three primary sources for its phosphate supply—phosphate rock, basic slag, and bones. Of these, phosphate rock leads in importance, and supplies are available in practically unlimited quantities, with deposits widely distributed throughout the world. Comparatively small quantities of bone are available for fertilizer use. Basic slag, although limited by the production of steel of which it is a by-product, is available in great quantity in some countries, particularly European. Most of the phosphate rock is processed to superphosphate to increase its solubility and availability as a plant food. In the preparation of basic slag and bone for use, they may be pulverized to a powder or meal.

United States phosphate-rock exports have averaged $5,100,000 annually since 1929. Other phosphate exports including superphosphates, but excluding mixtures or compounds with nitrogen, have approximated since 1929, $1,200,000 annually, sent to an average of 39 countries.

To supply those countries of the world which have not their own facilities for converting phosphate rock to superphosphate, United States plants and raw materials are economically and geographically well located. Sulfuric acid is necessary to produce superphosphate, and abundant United States sulfur deposits are available by water transportation to port producers of fertilizers. Most of the sulfur produced in the United States and all the pyrites are converted to sulfuric acid. The fertilizer industry is the largest consumer of the acid, and sulfuric plants are integral parts of most of the fertilizer plants located on the coasts of the United States. Yearly average exports of superphosphate alone were $1,000,000 during the period 1929–41.

Amsterdam superphosphate plant, in Holland.

NITROGEN

The United States nitrogenous-fertilizer position has been somewhat different from that of the phosphatic. Before the development of the synthetic-nitrogen industry the country was dependent for its nitrogen requirements upon imports of Chilean nitrate. However, during the period between World War I and World War II, Germany became solidly entrenched as a leading exporter of synthetic nitrogenous fertilizer materials, and the United States also become prominent as an exporter.

Since 1941, the growth of the synthetic-nitrogen industry in the United States has been phenomenal. Estimated capacity is said to be three times what it was before the war and exceeding Germany's existing plants in 1941. Synthetic nitrogen is produced largely by the direct combination of nitrogen and hydrogen with ammonia. The nitrogen is obtained from the air and the hydrogen may be derived from coal or natural gas, of which there are cheap supplies near the locations of both the pre-war plants and the ones built within the past 3 years. A prominent feature of fertilizer production is the utilization of byproduct ammonia produced from the coking of coal, present production of which is running in excess of 160,000 tons of nitrogen per year.

United States exports of nitrogenous materials have been exceedingly widespread—countries of destination increasing from 39 in 1929 to 63 in 1937 and 65 in 1939. In 1940, exports of nitrogenous materials amounted to $11,000,000, compared with annual average exports of $6,200,000 during the 1929–41 period. Even though world production of nitrogen has increased, the need for nitrogenous fertilizers in all countries after the war will be greater than ever before, and the United States will be able to share in supplying this expanded demand.

POTASH

Potash is another of the three constituents which together or apart comprise the commercial value of fertilizers. Its source, largely mineral, is analogous to phosphate rock in that respect, but contrary as to foreign trade in that, until recent years, most of the potash used in the United States was imported. Through coordinated efforts of Government and private agencies, the United States has attained self-sufficiency in potash and ended definitely its dependence on foreign supplies.

In the earlier years the potash industry supplied up to 70 percent of the expanding domestic needs, and during 1940 produced all grades of salts in quantities ample to supplement dwindling receipts from foreign sources. Receipts of potash from German and French sources virtually ceased immediately after the outbreak of hostilities in September 1939. Since then the United States potash industry has been able to meet all domestic demands and have a surplus for export.

Potash exported as potash-fertilizer materials averaged $2,100,000 during the period 1929–41. The number of countries of destination increased from 12 in 1929 to 32 in 1941. Exports of salts reached their maximum of 125,300 tons in 1939, when they were abruptly terminated by the producers with diversion of the tonnage into the domestic market.

Competition for post-war foreign markets for potash will be met from Germany, France, Spain, Palestine, and Poland—countries which have been prominent exporters in the past. Substantial deposits now known to exist in U. S. S. R. undoubtedly will place that country also among the leading exporters. The United States potash industry is favored by the existence in New Mexico of mineral salts with an average potash content higher than that of the leading European sources.

Complete Fertilizers

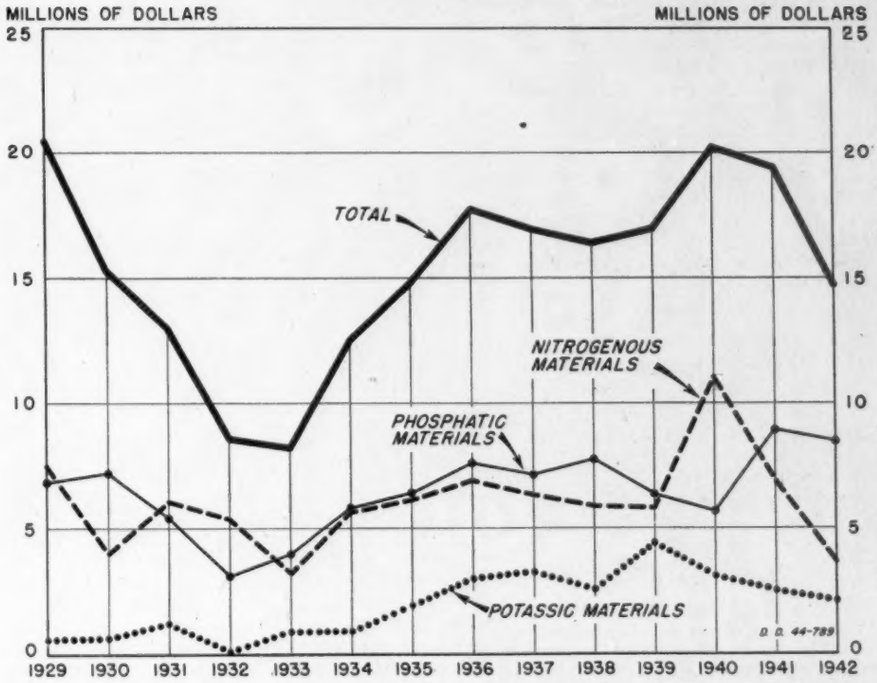
As indicated in the foregoing discussion, the mining and processing of phosphate rock to produce superphosphate is an integral part of the fertilizer industry in the United States. Superphosphate is combined or mixed with nitrogen and potash materials to make complete fertilizer mixtures containing the three vital elements. Although mixed goods is the largest item of the domestic industry, it is the smallest group in value of exports classified under fertilizers. In 1939, exports of prepared and other fertilizer mixtures totaled $237,700, shipped to 33 countries. In 1941, total value rose to $889,000, and shipments went to 31 countries.

The small demand for complete fertilizers may be largely attributed to need in a given country for a single element or for only two of the three elements. It is expected, however, that some foreign markets eventually will follow the domestic pattern; that is, where one element has been supplied, a need for complete mixed goods will develop. The formulas will be in accordance with the recommendations of the agricultural experiment stations of the countries to which the goods are shipped. A study of the fertilizer post-war requirements of individual countries should repay many times the effort and expense incurred.

U. S. Exports, by Areas

United States fertilizers and fertilizer materials have had worldwide distribution, but the leading markets are in the areas where cultivation of soil has been going on for centuries and where the farmers have learned the value of the use of commercial fertilizers. In 1941, more than one-third of the total foreign sales were made to Europe. The United Kingdom was the outstanding United States market for fertilizers and fertilizer materials in 1941, when over $5,000,000 worth was shipped. The neutral countries, Portugal and Spain, were other important consumers in 1941. In peace times, Germany, France, and the Netherlands were among outstanding purchasers.

U. S. EXPORTS OF FERTILIZERS AND FERTILIZER MATERIALS, 1929-1942



The following table shows United States exports of fertilizer and fertilizer materials in 1937 and 1941:

United States Exports of Fertilizer and Fertilizer Materials, 1937 and 1941, by Areas

[In thousands of dollars]

Area	1937		1941	
	Value	Percent of total	Value	Percent of total
Europe	7,136	43	6,606	34
North America:				
Northern	2,774	16	4,723	25
Southern and West Indies	758	4	2,444	13
South America	100	1	1,277	7
Asia	5,302	31	2,678	14
Oceania	1		131	1
Africa	883	5	1,203	6
Total	16,954	100	19,062	100

United Kingdom

The United Kingdom, generally considered to be an industrial country, nevertheless does cultivate a portion of its land intensively, and since the outbreak of hostilities the need to grow more food has been paramount. Consequently, during the war period consumption of fertilizers has increased greatly.

In the autumn of 1939 a campaign was started to plow and plant more, symbolized by the slogan "Dig for Victory." One of the results of the war has been the greater consumption of agricultural lime, used largely as a soil conditioner.

The United Kingdom, generally consumption amounting to more than 4,000,000 tons in 1942–43. The use of lime probably will continue after the war, especially inasmuch as additional mills have been established in the United Kingdom to prepare the lime for agricultural purposes.

Consumption of nitrogenous materials also increased greatly, in line with the expansion of the area under the plow. As far as phosphatic and potassic materials were concerned, however, the authorities were compelled to apply a selective distribution policy because of limited supplies. Recent figures for total fertilizer consumption are not available, but consumption of nitrogenous fertilizers in terms of pure nitrogen in the British Isles in 1937–38 was estimated by the British Sulphate of Ammonia Federation at 68,200 tons. Certainly the post-war era will require at least that amount.

The United Kingdom manufactures, imports, and exports fertilizers and fertilizer materials. Basic slag, superphosphates, ammonium sulfate, and compound fertilizers are among the items produced in appreciable amounts. Commodities imported include phosphate rock, sodium nitrate, kainite, and other potassium fertilizer salts, and exports consist of ammonium sulfate, sodium nitrate, and prepared mixtures. Imports of fertilizers and fertilizer materials amounted to $6,400,000 and exports to $13,300,000 in 1938, the latest year for which statistics are published.

Until the present war, the United States did not participate to an appreciable extent in the United Kingdom's fertilizer import trade. Annual exports of fertilizers and materials from the United States to the United Kingdom averaged only $200,000 during the 1929–39 period. In 1940, however, exports ad-

vanced to $2,000,000 and in 1941 to $5,200,000.

GERMANY

The annual value of United States fertilizer exports to Germany in the 1929–39 period averaged $1,500,000. Phosphate rock accounted for 93 percent of the total. Not all this phosphate rock went into fertilizers, however; a part was used to produce chemicals, but how much has not been estimated. Phosphate rock going to Germany was carefully prepared and had to meet stringent specifications. Only the higher grades were acceptable. There is no probability that Germany will be able to get a similar grade of rock from any other source after the war.

CANADA

Canada has been a principal outlet for United States fertilizer materials, although it is itself a producer of these vital commodities. Consumption has been increasing, and the largest tonnage of fertilizer ever used in Canada, 500,000 tons, was consumed in the spring of 1944. Greater emphasis on food production, higher prices for agricultural products, and a shortage of farm labor are responsible for the increased consumption of fertilizers.

Eastern Canada, particularly—which includes the Provinces of Ontario, Quebec, New Brunswick, Nova Scotia, and Prince Edward Island—consumes substantial amounts of fertilizer annually and is of definite interest for its potential usage. Prince Edward Island, the smallest Province, is larger than the State of Delaware. Quebec, the largest Province, covers an area larger than France, Germany, and Spain, combined. Ontario Province comprises more territory than the combined States of New York, New Jersey, Pennsylvania, Ohio, Indiana, Illinois, Michigan, Wisconsin and the six New England States. New Brunswick is almost as large as Scotland, and Nova Scotia is nearly as great in area as Belgium and the Netherlands combined.

Fertilizer consumption in Eastern Canada has increased consistently for some years past. In 1937, the tonnage used was 271,200—an increase of 60 percent over the amount used 5 years earlier. In 1943 (fiscal year ended June 30) more than 458,000 short tons were sold in eastern Canada. Items included were: Sodium nitrate, ammonium sulfate, calcium cyanamide, ammonium nitrate, superphosphate, bone meal or bone flour, muriate of potash, sulfate of potash, tankage, sheep manure, dried blood, and ammonium phosphate, but the bulk, or 403,000 tons, was in the form of mixed fertilizers.

Fertilizer consumption in all of Canada will increase, because it is inevitable that Canadian farmers must rely on commercial sources for maintaining the mineral levels of their soil. The colleges and experiment stations, as well as the large crop and fertilizer distributing organizations, which in many cases maintain their own trained agricultural staffs, are contributing their share toward disseminating essential fertilizer information. Among such units are fruit-canning and packing companies, growers cooperatives, sugar-beet companies, fruit-buyers organizations, and the fertilizer trade. Agriculture has been Canada's leading single industry—59,000,000 acres were devoted to field crops during 1939, and agriculture accounted for 29 percent of the gainfully occupied population.

For the fertilizer-manufacturing industry, the value of production was up 27 percent in 1943 to $26,900,000. The output of mixed fertilizers totaled 530,000 tons at $15,700,000; ammonium sulfate, ammonium phosphate, and superphosphate were the other main items of production by plants in this industry. Comparatively large tonnages of fertilizers were made by chemical plants for export.

United States exports to Canada of fertilizers and fertilizer materials averaged $2,500,000 annually in the 1929–41 period. The exports of nitrogenous fertilizers averaged 29 percent of the total, superphosphate 26; phosphate rock 20; potash fertilizers 16, and mixed fertilizers 9 percent.

During 1939, Canada imported fertilizers, including phosphate rock, to a total value of $4,934,000. In that year, United States exports to Canada, including phosphate rock, totaled $3,120,000. The corresponding figure for 1942 was $4,000,000. Imports into Canada in 1943 were valued at $3,900,000, including 104,500 tons of superphosphate, 10,900 tons of basic slag, 15,900 of sodium nitrate, 77,600 of potash compounds, and 2,300 tons of other materials.

OTHER WESTERN HEMISPHERE MARKETS

The American republics imported between $3,600,000 and $4,000,000 worth of fertilizers and materials annually in the years immediately preceding the outbreak of war. Individually the markets are relatively small, but expanding, and the post-war period total should be appreciably larger.

Prior to 1941, the United States was not an outstanding supplier of these commodities to this extensive area. The following table shows the marked increase in exports of fertilizers and fertilizer materials from the United States to the American republics and the British West Indies in 1941, compared with 1937:

United States Exports of Fertilizers and Fertilizer Materials to Latin American Markets in 1937 and 1941

[In thousands of dollars]

Area and country	Total exports		Exports in 1941			
	1937	1941	Nitrogenous materials	Superphosphate and phosphatic materials	Potassic materials	Prepared fertilizer
Central America	46	284	194	30	2	58
Mexico	193	269	251	15	3	(1)
British West Indies	138	439	206	4	177	52
Cuba	356	738	259	262	125	90
South America, total	100	1,277	541	524	128	84
Argentina	18	58	11	37	10	----
Brazil	7	853	300	439	113	1
Chile	28	133	104	29	(1)	----
Colombia	11	106	101	4	----	1
Peru	4	7	3	3	1	----
Venezuela	30	95	9	3	1	82

[1] Less than $500.

CENTRAL AMERICA

Essentially agricultural, the six Central American republics—Costa Rica, Guatemala, Honduras, Nicaragua, Panama, and El Salvador—are not as large consumers of fertilizer as would be expected. Something less than $500,000 worth of fertilizers are imported annually, Costa Rica, Guatemala, and Honduras being the principal markets. When the benefits derived from greater utilization of fertilizers are appreciated, consumption will improve. Chief crops are coffee, bananas, cocoa, corn, rice, cotton, and sugarcane.

MEXICO

Fertilizers have not been used extensively in Mexico, consumption for the most part having been limited to a comparatively few individual farmers and Government institutions. Mexico is both a producer and an importer of fertilizers and fertilizer materials. There is a growing desire to mix the fertilizers within the country from the the imported materials—ammonium sulfate, ammonium nitrate, calcium nitrate, potassium salts, and other salts.

BRITISH WEST INDIES

Fresh fruit and vegetables are produced in considerable quantities in the British West Indies, and sugarcane likewise is important in their economy. Fertilizers are used in appreciable amounts, more than $600,000 worth being imported in 1939. In normal times most of the fertilizer arrived from Europe, but since the outbreak of war the United States has been the chief source.

CUBA

There is a good demand in Cuba for fertilizers to be used by sugar growers, tobacco planters, and producers of fruit and vegetable crops. Some natural or organic fertilizer materials are available locally, particularly bones. Fertilizer also is mixed on the Island from ingredients imported chiefly from the United States. Imports of all fertilizers into Cuba from the United States have fallen off, however, since World War I. In 1924, the value of United States exports of fertilizers to Cuba exceeded $3,500,000, but for the years 1929 to 1941 inclusive, the average was only $445,000. In 1929, the value reached $1,000,000 and then went to a low of $70,000 in 1932. Of the total average value of exports to Cuba (1929–41) superphosphate constituted 32 percent; nitrogenous materials, 45; potash, 9; mixed fertilizers, 11; and phosphate rock, 3 percent.

German nitrophoska made serious inroads into fertilizer sales during the 1929–41 period. It was actively handled, and appealed to Cuban agriculturists on the basis of economy.

ARGENTINA

Argentina has not been a large consumer of fertilizers, despite its important position in agriculture, because its principal crops are farmed extensively rather than intensively. Likewise, the relatively high fertility of the soil in Argentina has made the use of fertilizer unnecessary. There is, nevertheless, a small but in-

creasing consumption of fertilizers for use in vineyards, orchards, in the cultivation of tobacco, and on truck gardens. For such purposes, most of the requirements are supplied by sodium nitrate from Chile, and domestic organics, including dried blood, bone meal, fish meal, bird guano, and superphosphate manufactured from domestic bones. Balanced fertilizers for specific uses are offered by several local firms. The opportunity for the sale of foreign fertilizers has been limited, and imports have consisted chiefly of Chilean nitrate, potash salts, and superphosphates.

Brazil

Brazil has been the largest market in South America for United States fertilizers and probably will continue to offer a good market. Because of the extraordinary fertility of the soil, fertilizers were not considered economically necessary until comparatively recently. The use of chemical fertilizers in Brazil started to gain impetus only about 15 years ago when Federal and State Agricultural Departments encouraged farmers to employ these aids to agriculture and permitted their importation free of duty. It is only close to the coast and in a section reaching back into the State of Sao Paulo that farming requiring fertilizers exists.

Cotton, vegetables, tobacco, sugarcane, coffee, and rice are the crops to which fertilizer has been most frequently applied, although on only a small percentage of the total acreage planted. The State of Sao Paulo employs from 80 to 90 percent of all fertilizers used in Brazil.

A number of domestic firms are engaged in the preparation and distribution of natural fertilizers of domestic origin, such as bone meal, dried blood, castorbean and cottonseed wastes, coffee ashes and husks, as well as apatite and calcium superphosphate, although output has not developed to meet the full demand. Fertilizer firms customarily mix the chemical fertilizers with natural organic products in accordance with particular crop needs and formulas, marketing these mixtures under their own trade-marks.

Superphosphate is produced from apatite deposits located in Ipanema, State of Sao Paulo, where the Government has a concession-operated plant which began production in 1942. The superphosphate capacity is around 30,000 tons annually; actual output, however, was estimated at only 5,000 tons in 1944 because of the shortage of sulfuric acid supplies. To alleviate the shortage, a sulfuric acid plant is under construction. Before the war, Germany was the chief source of Brazil's requirements for superphosphate, which averaged around 20,000 tons annually. Since then, Brazilian firms have been looking to the United States for their supplies, but wartime restrictions have hindered the volume of this trade.

As a result of smaller supplies of superphosphates, increased quantities of locally available bone meal have been utilized as a source of phosphoric acid. Normal production of bone meal is estimated between 20,000 and 30,000 tons.

Chile is Brazil's customary source for sodium nitrate. From 1939 through 1943 an annual average of 21,000 tons of sodium nitrate of all grades entered Brazil from this source. Calcium cyanamide, calcium nitrate, and urea are not currently employed in Brazil as fertilizer. Around 3,500 tons of German ammonium sulfate was formerly imported; as a fertilizer, it was used principally for sugarcane. Because of its recent unavailability, fertilizer firms have been limited to nitrates from Chile and organic fertilizers of domestic production. Farmers are said to prefer the chemical fertilizers because of their quicker action in the soil. The consumption of all types of nitrogenates progressively increased up to the advent of the war, and it is expected that when supplies become more freely available a resumption of this trend will occur. Substantial quantities of byproduct ammonium sulfate will be available to fertilizer firms when the Volta Redonda steel plant gets into production.

Potash salts are used primarily for coffee cultivation and to a limited extent in horticulture and for tobacco and sugar crops. Pre-war consumption figures indicate that about twice as much potassium chloride was employed for fertilizers as potassium sulfate. No domestic production exists in either of these materials. Were potash salts freely available, it is estimated that between 5,000 and 6,000 tons would be employed in agriculture. Supplementing the potassium chloride arriving from Chile, coffee ash is being used to some extent as a source of potash.

The following fertilizers and materials were imported in 1939 (figures in metric tons): Potash, 186; potassium chloride, 3,015; potassium sulfate, 1,534; potassium nitrate, crude, 223; sodium nitrate, 1,013; calcium cyanamide, 623; ammonium sulfate, 3,459; Chilean nitrate, 22,487; phosphate rock, 2,831; superphosphates, 21,381; and chemical fertilizers, not classified, 2,040. Imports in 1943 were considerably less than in 1939, largely because of conditions attributed to the war.

When conditions become normal the fertilizer trade is expected to show a significant expansion over the small amounts traditionally utilized.

Courtesy of the company

Crushing plant (tertiaries) at the new "Victoria" plant of the Compañia Salitrera de Tarapaca y Antofagasta, in Chile.

Chile

Although all raw materials are available, the fertilizer industry in Chile appears to have remained far below potentialities so far. Imports of artificial fertilizers were valued at nearly $400,000 in 1938, largely from Germany and Great Britain.

As a sole world producer of natural sodium nitrate, its nitrogen supplies are superabundant. However, it is reported that Chilean soils are more in need of other types of fertilizers. Potash is increasing in importance, both as byproduct of the sodium nitrate mining and from recent exploitation of potash deposits in the Tarapaca Province. In 1942 Compañía Salitrera Tarapaca y Antofagasta was producing potassium chloride at a capacity of 10,000 tons annually.

Adequate phosphatic fertilizers appears to be Chile's primary fertilizer problem, although resources are available. Annual production of phosphatic fertilizers in 1939 by three companies was estimated at about 20,000 tons, sufficient for only one-fifth of the minimum set for satisfactory local agricultural production. Guano deposits serve as the chief source of phosphates, and small amounts of bone meal and imported superphosphates also are consumed. Deposits of apatite, the natural phosphate mineral, are located in the Provinces of Atacama, Antofagasta, Coquimbo, and Vallenar. The utilization of the apatite

(Continued on p. 43)

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Britain's Books—A Wartime Casualty

By MARY E. POOLE, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

IN THESE DAYS of shortages in almost everything, it does not seem particularly startling to hear that the book-producing industry of Great Britain is experiencing the most severe crisis in its history.

Paper Shortage Acute

Wartime restrictions, unavoidable though they are, have brought upon the book industry of Great Britain tremendous pressures from all sides. Until November 1, 1944, when the Minister of Production agreed as of that date to increase the allocation of paper to book publishers from 40 percent to 42.5 percent of their pre-war usage, book producers have had only 22,000 tons of new paper each year with which to meet a book demand of more than twice the 1939 volume.

That is not much paper for 651[1] pre-war firms whose normal annual production (according to a statement made by Lord Samuel during the House of Lords debate on the book trade, on October 23, 1941) was "in the neighborhood of 100,000,000 volumes." On an equal distribution basis, it would mean that each publisher has had an average of less than 34 tons of paper a year. In marked contrast, 1,149 United States book publishers—the value of whose production in 1939 represented 92 percent of the total value of book production for the country—consumed 163,860 tons of paper in 1943, or an average of slightly more than 140 tons each.

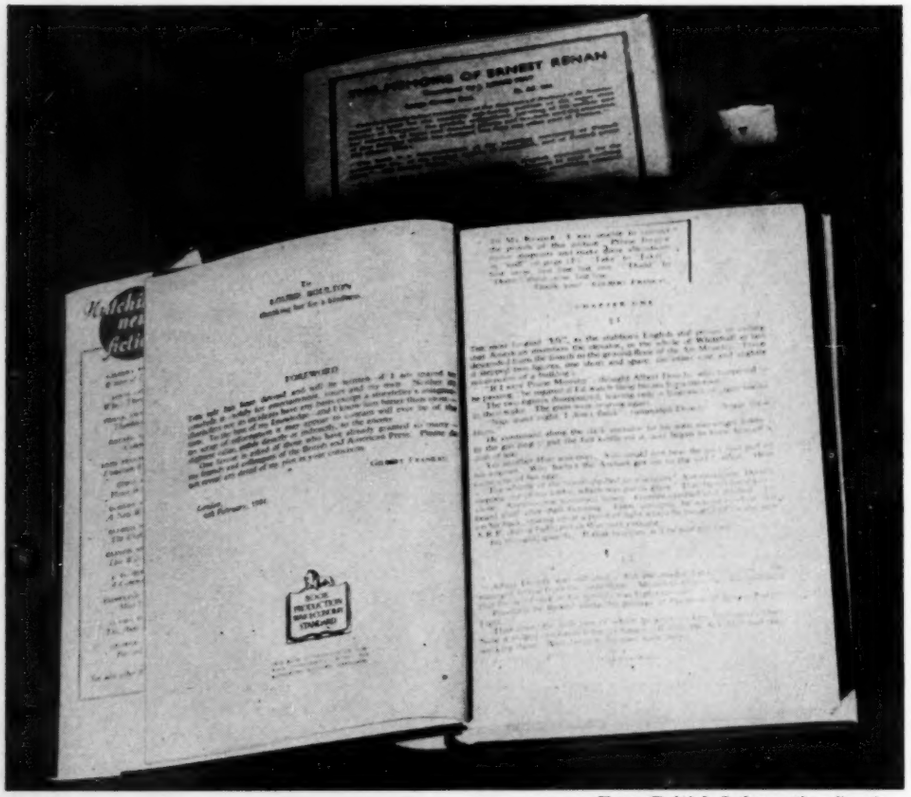
[1] Census of 1930.

Limited Production

In 1943, more than £18,000,000 worth of books were disposed of in Great Britain—almost 50 percent more than the value of new books printed in that year. Today, 9 out of every 10 new books are oversubscribed before publication, and it is not at all unusual for orders placed by booksellers to exceed by four or five times the number printed. Pre-war stocks of paper and books, which would have been sufficient for several years of normal trade, have all but reached the vanishing point.

In order to cover the widest range of subjects and to meet the minimum needs of the greatest variety of consumers possible, publishers have, of necessity, followed a policy of issuing small editions. In adhering to this policy, printers, in turn, have been forced to spread the paper supply so thin that production costs are way out of line, and operating efficiency is dangerously low.

In the binding trade, scarcity of labor has had its most devastating effect. The recurrent demand for skilled labor in the various operations of bookbinding has generally been filled by boy and girl apprentices who enter the trade at the age of 14 and serve an average term of 7 years, at the end of which time they are mature enough in age and experience to be raised to full status. For more than 4 years now, the number of such learners entering the trade each year has been less than one-third the pre-war intake. Recruitment for the armed forces has absorbed practically all of those who began their training before the war—in many cases snatching them up just as they were beginning to be of real service to the industry. Bookbinding firms, therefore, have had to rely heavily upon older women who, though perfectly capable of performing the many hand operations, are unsuited for taking over machine work. It is not surprising then to learn that a considerable number of binding machines in Great Britain stand idle for lack of skilled operators.



From British Information Services

The old luxurious standards of British book production have vanished for the duration. Paper economy has reduced the size of books, cut margins, altered covers. Taste, too, has undergone considerable changes. Books now carry an "economy stamp."

Dependence Upon Imports

Much has been said of the paper shortage in Great Britain, and from all indications this "root of evil" is destined to survive for a time after the end of hostilities in Europe, because almost all of the raw materials used by British paper mills are imported. True, there is a considerable abundance of grain straw which can be and is used during wartime to supplement current supplies. However, straw paper, because of its inferior quality, is not readily acceptable, and, since twice as much coal is required for converting straw into pulp as for converting either esparto or wood, mills have not been overly anxious to install the necessary equipment for processing it.

Esparto paper is the standard book paper used in Great Britain—it is only the inexpensive books which, like newspapers, are printed entirely on wood paper. Until 1940, British paper mills imported an average of 300,000 tons of crude esparto grass a year from Algeria, Morocco, Tunisia, and Spain. All of these lines of supply have been hard hit by the war, not only because of the more obvious restrictions which had to be placed on shipping, but also because of the apparent distinterest shown by those who formerly gathered the grass and prepared it for export, now that wartime

conditions have brought within their reach more remunerative occupations.

At present, Great Britain probably is receiving less than one-third of its normal requirements of this vital material. Recent efforts have been made to increase the imports of esparto, and an expert was to have been sent to North Africa in September to examine the situation, according to information given to the House of Commons in July by the Minister of Production.

Economy Measures

To promote, insofar as possible, the full use of the paper available to the book industry, the Book Production War Economy Agreement (a regulation to control the size of type, the minimum number of words per square inch, the weight of the paper, and the like) was put into effect in January 1942. Under its terms, chapter headings and breaks must start not lower on the page than the location of the third line of a full page. There must be no blank page between chapters and, in fiction, the gap between chapters must not exceed the space that would be occupied by eight lines. Paragraph breaks must not exceed two blank lines. The proportion of the type area to the page area, untrimmed must not be less than 58 percent.

Britain, A Net Exporter

In normal times Great Britain has always been a net exporter of graphic products; i. e., newspapers, periodicals, and printed books, especially to Empire countries, and the value of its trade during the period 1934–39 is shown in the following table:

British Exports and Imports of Newspapers, Periodicals, and Printed Books

Year	To British Empire countries	To foreign countries	Total
1934:			
Exports	£2, 258, 469	£748, 308	£3, 006, 777
Imports	197, 400	576, 120	773, 502
Net exports	2, 061, 069	172, 206	2, 233, 275
1935:			
Exports	2, 522, 378	836, 485	3, 358, 863
Imports	168, 529	553, 707	722, 236
Net exports	2, 353, 849	282, 778	2, 636, 627
1936:			
Exports	2, 825, 057	962, 085	3, 787, 142
Imports	178, 979	859, 356	1, 038, 335
Net exports	2, 646, 078	102, 729	2, 748, 807
1937:			
Exports	2, 689, 347	928, 625	3, 617, 972
Imports	149, 466	799, 094	948, 560
Net exports	2, 539, 881	129, 531	2, 669, 412
1938:			
Exports	2, 696, 773	849, 696	3, 546, 469
Imports	137, 262	936, 255	1, 073, 517
Net exports	2, 559, 511	[1] 86, 559	2, 472. 952
1939:			
Exports	2, 512, 288	765, 173	3, 277, 461
Imports	143, 911	748, 633	892, 544
Net exports	2, 368, 377	16, 540	2, 384, 917

[1] Net import.

From British Information Services

In Britain, Mrs. Smith goes with her husband Private Smith to buy a wartime book. They can get more to a shelf nowadays.

Although there are no published figures to indicate what proportion of total exports of graphic-art products in those years was represented by books, it is known that the value of pre-war wholesale turn-over of books for both home consumption and export averaged £10,-500,000. It is also known that during the period 1937–39 about 30 percent of that turn-over entered the export market each year. This would seem to indicate that the value of book exports during 1937–39 averaged about £3,000,000 yearly. This is roughly the same figure as that given for total graphic-art exports during 1934–39. Provided there has been no drastic change in the relationship between the value of book trade and the value of total trade in graphic-art products, it would appear that books do, in effect, constitute the major part of Great Britain's external trade in graphic-art products.

Publishers' Problems

At no time has the business of producing books been uncomplicated. During peacetimes, unhampered by material shortages and with plenty of skilled labor at the disposal of the publisher, his problem is primarily one of selling. His ability to select from the thousands of manuscripts those few which will sell enough copies to cover expenses and bring suitable compensation for himself and the author is almost a sixth sense, which even after 10 to 15 years in the trade cannot be considered infallible. Nevertheless, the future of his business must depend on this intangible quality, and the gamble he takes each time he publishes a book is far greater than is generally supposed. During wartime, however, his problem is to be able to produce books at all.

Under present-day circumstances, once the original run of a book has been made it is out of print, because the already slim paper allocations rarely permit replacement runs. Thus, when a bookseller's stocks of a particular volume are exhausted, he cannot order more of the same, even though his customers are insistent and unswerving in their demands.

Although the United Kingdom in general has one of the world's highest rates of per capita consumption of books, the people there have not always been purchasers of books. Free libraries are not as common in Great Britain as in the United States, but small rental libraries are found in almost every village. The volume of book trade handled through these outlets has held a much higher place in national importance than have individual book sales.

In former times, publishers spent considerable sums of money advertising their books, and, in an attempt to get people to buy books rather than borrow them, some houses resorted to publishing certain types of books—such as those on travel, history, or nature—in parts, weekly; the whole to be bound after a complete set had been purchased. However, it was not until the appearance of

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Spanish Bottle Industry

By WILLIAM L. SMYSER, *Third Secretary, U. S. Embassy, Madrid,* and CATHERINE B. WELCH, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

THE BOTTLE INDUSTRY is one of the oldest industries in Spain and is among the *strongest*. Production more than meets the large domestic demand for wine, sherry, and cognac bottles, as well as containers for beers, mineral waters, and pharmaceuticals, consumption of which, for both the export and the domestic trade, reaches an annual total of about 80,000,000 units.

Although the volume of different types of bottles produced in Spain varies from year to year, experts have estimated that 50 percent of the total production is in wine bottles, 20 percent in bottles for mineral water, 10 percent in soft-drink bottles, 5 percent in beer bottles, and 15 percent in special bottles, of which milk bottles and fruit jars together amount to less than 1 percent.

Regional Characteristics

The total amount of a factory's bottle production, in relation to the installed capacity of the works, depends under present conditions in Spain not on the demand so much as on the available supply of fuel and raw materials. The latter in turn depends upon the plant's geographical situation and upon its equipment.

Spanish bottle factories enjoy a number of geographical advantages. Barcelona and Cadiz are historic centers of fine glass-bottle production, with a tradition of good workmanship surviving for more than 2,000 years, and are also great wine-shipping ports. But a fuel problem is presented by the necessity of either importing fuel from abroad or relying on domestic coal from distant Asturias.

The Gijon factories, on the other hand, are located beside the Spanish coal pits and have a large local market for bottles for cider, beer, and mineral water, but a part of their output must be shipped across the Peninsula to the wine regions. A characteristic of Gijon Fabril, which is not true of other Spanish bottle plants, is the large percentage of cider bottles produced. About 80 percent of the raw material used by the Compañía General de Vidrierías Españolas, located in the center of the Jerez wine region, is used in the manufacture of wine bottles. The Badalonesa plant uses about 40 percent of its raw materials in the manufacture of demijohns and carboys, which are not included in the record of the total bottle output, but must be considered in plans of the management and in the apportionment of raw materials. This plant is in Catalonia, the seat of comparatively heavy industries, where there is a demand for shipping containers for chemicals.

Bottles for chloride of potash to be used for cleansing or for bleaching are manufactured primarily in the industrial center of Barcelona.

Major Trends

Glass blowing appears to have attained a high development in Spain during the Roman occupation, and the craft revived and flourished under Mohammedan influence during the Middle Ages. Art collections contain few examples of Spanish glass manufactured before the sixteenth century, however.

Spanish glass has definitely turned from art to large-scale and highly competitive industrialization. Present production is at the annual rate of 73,000,000 bottles in green glass—about 58,000,000 of which are manufactured in the large factories which specialize in bottles, and the remainder by the occasional bottle producers who operate the smaller plants in the white-glass industry.

Exporters of Spanish wines to the United States use green bottles, most of which are produced in Spain's five larger plants. The output of these plants is supplemented by that of smaller specialty factories engaged primarily in turning out job lots of small bottles for perfumes and medicines, laboratory equipment, flasks, tubes, and nursing bottles. Fruit jars and milk bottles scarcely enter the picture.

Bottle factories' consumption of glass "metal" (glass in the state of fusion) is about half of the installed "metal" content capacity. With a daily capacity of nearly 350 metric tons of dark green or extra clear bottle "metal," daily consumption amounts to about 200 metric tons. About the same amount of "metal" is produced in the white glass industry, where hollow ware and containers and some bottles are manufactured.

Capacity and Equipment

Shortages in the supply of fuel and shifts in sources of raw materials have placed limitations upon recent production, but the installations of most of the plants are modern and, in many instances, capable of doubling present output.

The practicable installed capacity is now reported at 110,000,000 bottles a year. Requisites to the accomplishment of capacity production are the general installation of automatic machinery, an adequate supply of trained workmen, fuel, and raw materials, and an expanded market.

Equipment throughout the large plants is automatic and semiautomatic, and the installation of the most modern machines is planned in factories not already so equipped. Factories having automatic machines are the Compañía General de Vidrierías Españolas of Jerez de la Frontera, and the Gijon Fabril in Gijon. Semiautomatic machines are installed in the Vidrieria Barcelonesa J. & C. Vilella of Bareclona, the Vidriería Badalonesa in Badalona, near Barcelona, and La Industria Sociedad Anómina, in Gijon.

Despite the fact that present domestic demand falls below the production capacity, new machines have been ordered. Operators of the plants want to be in a position to increase sales, and they feel that efficiency should be increased by lowering the cost of production in anticipation of serious competition for survival in the post-war market.

Tax rebates and other purchasing concessions made to Spanish plants acquiring capital machinery also offer an inducement for the purchase of equipment.

Labor Situation

Labor problems furnish another incentive for the purchase of new machines. The use of automatic machinery for bottle making plus appropriate automatic feeders is estimated by one manufacturer as offering possibilities of reducing manpower for certain operations from 50 workers to 5.

The installation of automatic equipment makes the manufacturer increasingly independent of the skilled glassblower, who is becoming more difficult to find, except in Barcelona. While there appears to be a surplus of good glassmakers and skilled laborers in the vicinity of Barcelona, other regions having excellent equipment are suffering a labor shortage. Projects for the transfer of glassmakers from Barcelona to regions where they are needed have met with difficulties, so in some cases the machines have been moved to the workers.

Fuel

Probably less than 20 percent of the Spanish output of bottles from all sources depends on coal for fuel. Fuel oil is preferred in bottle factories and hollow-glass works because of its efficiency in heating the glass furnaces at a regular temperature and at the lowest unit cost. The only important bottle companies which do not use oil are located near the large coal-producing region in Gijon. Two glass factories in Gijon are operating on short rations, however, and

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Aviation in Peru

By MARY B. MACKRILL, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

PERU, with its unusual surface transportation facilities, has conquered topographical obstacles. As regards elevation, it has the highest motor road, railroad, and waterway in the world. This Republic ranks fourth among the South American nations in length of air routes and number of miles flown annually (following Brazil, Colombia, and Argentina). The Andean mountains, in series of chains, traverse the land through its length, dividing it into three major zones. These mountain peaks range from 14,000 to 20,000 feet, with the majestic white-tipped Huascaran upthrust 22,000 feet above sea level. The railroad from Lima to Cerro de Pasco (highest station in the world) climbs this barrier of rock.

Three highways cross this wall of mountains. The highway from Lima to Huanuco attains 17,562 feet, follows a circuitous route along the precipitous canyons, and connects the coast with the Amazonian jungles.

Lake Titicaca, which connects Peru with Bolivia, is at the highest elevation (12,545 feet) of any body of water in the world to be crossed by steamers.

To make accessible the areas in this land of contracts, winged competitors in the air vie with human porters, pack-mule trains, motor trucks, railways, dug-out canoes, boats made of balsa and reed, river steamers and launches, and even the haughty llamas, pre-Incan burden bearers which travel about 10 miles a day.

Resources of Peru

Amphibians drop down on rivers once served only by canoes, and land planes are contacting many formerly inaccessible areas rich in raw materials. Peru is one of the world's largest producers of vanadium. The Republic ranks third among South American countries in the production of petroleum; and fourth in the production of copper. Its extensive mining industry includes silver, gold, antimony, bismuth, lead, zinc, copper, vanadium, and mercury.

Primarily an agricultural and pastoral nation, Peru has 13,750,000 head of sheep, 2,500,000 cattle, 490,000 horses, and numbers of other livestock which supply wool hides, and skins. There is a high population density in cultivated areas, where production includes cotton, sugar, rice, wheat, coffee, cocoa, potatoes, and corn.

Factories are turning out cotton textiles, hats, and shoes; and oil refineries and ginning mills are actively engaged.

Rubber, mahogany, barbasco, balata, chicle, cinchona, and rotenone (source of insecticides) are products indigenous to the forested jungles, and production is being stimulated by wartime emergencies.

Aviation Expanding

Peru, third largest country in South America, with an area of 482,000 square miles (slightly more than one-sixth the size of continental United States) and a population of some 7,000,000, has 3,000 miles of railroads, more than 18,000 miles of highways, and 5,000 miles of airlines over which 50,000 miles are scheduled to be flown weekly.

President Prado, of Peru, who has taken a keen interest in aviation, has decreased the formation of the Peruvian Airport and Commercial Aviation Corporation (CORPAC), entirely owned by the Peruvian Government. A construction program is projected to meet post-war needs. Airports at Lima (Limatambo), at Iquitos (jungle port on the headwaters of the Amazon), and at other productive centers are being improved. Progress is being made on the construction of an aviation school at Chorrillos.

All phases of civil aviation activities expanded in Peru in 1943, according to data released by the Peruvian Ministry of Aviation. The number of passengers carried increased to 50,906 from 39,307 in 1942, and miles flown increased to 2,699,216 from 2,455,975.

Peru's international air service is supplied by Pan American-Grace Airways, Inc. (PANAGRA) and Panair do Brasil (PANIR), an affiliate of Pan American Airways, Inc. Domestic traffic is provided by Compañía de Aviación Faucett, S. A., and Línea Aérea Nacional (LAN Peru). PANAGRA supplies some domestic service and has made application to extend a route from Lima to Iquitos.

The following table is indicative of the expansion in air services over a 16-year period:

Peruvian Commercial Aviation Movement 1928–43

Year	Number of passengers carried	Number of miles flown
1928	145	73, 254
1929	1, 628	266, 491
1930	5, 768	651, 499
1931	5, 829	333, 395
1932	8, 945	738, 438
1933	12, 099	1, 146, 484
1934	19, 612	1, 263, 863
1935	22, 712	1, 256, 813
1936	29, 684	2, 012, 153
1937	34, 571	2, 136, 834
1938	31, 281	1, 959, 914
1939	30, 434	2, 051, 849
1940	28, 274	1, 926, 349
1941	28, 549	1, 928, 679
1942	39, 307	2, 455, 975
1943	50, 906	2, 699, 216

SOURCE: Bureau General of Civil Aeronautics, Peruvian Ministry of Aviation.

Interurban Connections

Lima, the capital, is on the aerial trunk routes encircling South America, linking the capitals of the 10 republics, and joining global air trunk lines. This historical "City of the Kings" is situated on the Rimac River, 8 miles from Callao, ocean port of call. Airlines are served by Limatambo Airport some 3 miles from the heart of Lima, and by Santa Cruz, airport for Compañía de Aviación Faucett, S. A., and radiate from these airports to serve the 21 departments. All major roads and railways lead to Lima—it is on the Pan American Highway, and is the terminus of the two largest railways.

Callao, chief port and gateway, is connected with Lima by four roads, electric tramway, and rail services. This maritime terminal or inner harbor affords facilities for coastal and national vessels. Through this port enters 70 percent of the country's total imports.

Students and tourists interested in pre-Incan, Incan, and colonial days can avail themselves of the many excursions offered to ancient temples and tombs, indicative of the high civilization which preceded Colombian days. The oldest university in South America, the San Marcos University, is located in Lima; and the National Archeological Museum—with its relics of primitive races whose textiles, potteries, and works of art have astonished the world—is available for archeological research.

Compañía de Aviación Faucett S. A.

Compañía de Aviación Faucett, S. A., established an air service of 1,100 miles between Talara and Arequipa in 1928. This company now has 2,120 unduplicated route miles over which 21,806 miles are scheduled to be flown weekly, serving the entire coastal area, the north central, and southwest sections. The company has its own airport (Santa Cruz) at Lima, about 3 miles from the center of the city. Near Santa Cruz airport is the company's aircraft factory where its transports are built and equipment is repaired. As early as 1934, the company began the construction and assembly of aircraft, some of which were used in dusting cotton fields. Junction with PANAGRA'S services are made at Talara, Chiclayo, Lima, and Arequipa, and with LAN, Peru's services at Yurimaguas. The southern terminus at Tacna is but a few miles by automobile from Arica, Chile, northern terminus of LAN, Chile.

NORTHWARD FROM LIMA

"Faucett" supplies a varied service on its route north from Lima to Tumbes. There is a daily round trip serving all points as far as Talara with an extension thrice a week to Tumbes. Stops are made at Paramonga, where large sugar plantations are located, and at Casma and Nepena where corn and other agricultural crops are produced. The flights continue to Trujillo, capital of the Department of La Libertad, located on the Moche River. The ruins of Chan-chan, imperial city of the Chimu Empire (overcome by the Incas) are reached 4 miles west. Pacasmayo, a port for rice, cotton, silver, hides, and copper; Chiclayo, junction city; and Piura, an old Spanish settlement, are important stops on this route.

From Lima there is a weekly service via Trujillo to Cajamarca, a town of importance in the northern mountain area and center of grain-growing and mining activities. Straw hats, leather, and cloth also are products from this center. Cajamarca is the city famed in history where Pizarro executed Atahualpa, last of the Incan emperors. Roads lead to Pacasmayo and to Trujillo.

Eastward from Chiclayo

Eastward from Chiclayo, "Faucett" planes cover the 240-mile route to Yurimaguas twice a week. This round-trip service, which operates direct to Chiclayo from Lima, includes stops at the towns of Chachapoyas, Moyobamba, and San Martin. Chachapoyas is capital of the Department of Amazonas, and is located near the confluence of the Utcubamba River with the Maranon River. Here are coal and placer gold mines. Mule caravans bring products to this village from the surrounding area. Moyobamba, on the Mayo River, is an old town on the edge of the Amazonian plain, and chief port of that river.

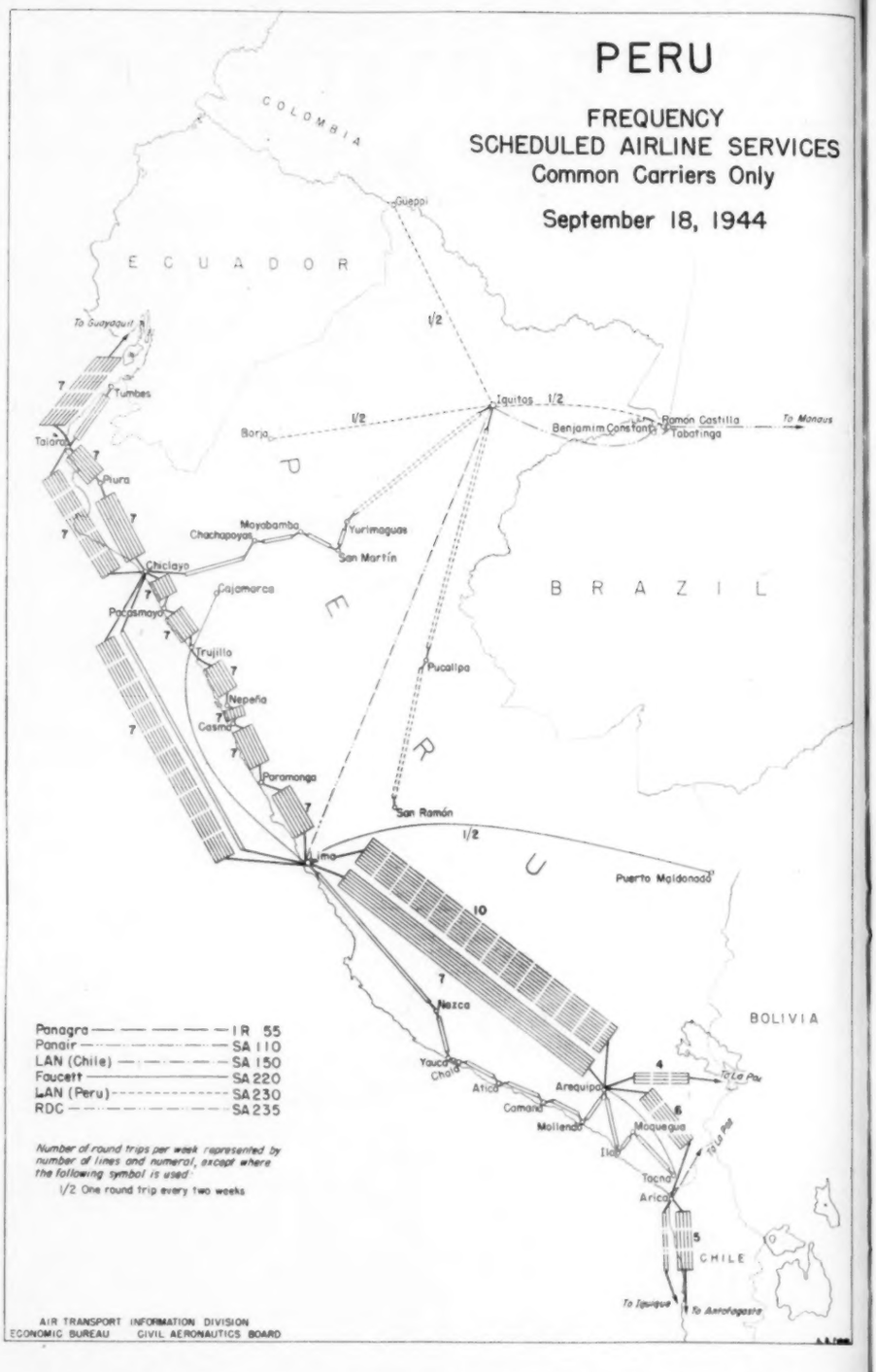
Southern Routes

Airplanes of the "Faucett" line wing southward from Lima on a nonstop 490-mile flight to Arequipa made in 3 hours. This is a daily flight on a round-trip basis.

Arequipa, capital of the Department of the same name, is a distributing center, hemmed in by mountains though situated in a valley at an elevation of 7,500 feet. Towering above it is the snow-crowned volcanic cone of El Misti (19,200 feet), flanked by Pichu-Pichu (18,600 feet) and Chachani (20,000 feet). Laden llamas nudge tourists leaving airplanes, and strings of donkey trains make a striking contrast with electric cars and automobiles. Wool-washing and sorting plants, textile and flour mills, candle and soap factories, hides, skins, wheat, corn, yucca, and sugar supply cargoes to the various transportation facilities.

Northeasterly from Arequipa is Cuzco, former capital of the ancient Incan empire, with ruins in almost every street. This ancient city has changed but little through the centuries. Once, all roads and trails focused on Cuzco, 11,440 feet above the sea, and thousands of llamas are said to have carried freight to the Pacific. Overlooking Cuzco is the fortress of Sacsahuaman, of Incan interest, and excursions may be made to ruins of temples, fortresses and palaces in the vicinity. The architectural perfection of many of these ruins is doubtless unequaled anywhere in the world, for here the rise and fall of the Empire of the Incas left its imprint for world students of civilizations. The Temple of the Sun, the fortress of Ollantaitambo, as well as the ruins of the city of Macchu Picchu are additional attractions.

Local services twice a week on a 700-mile route are offered by "Faucett" south of Lima to Tacna, with stops at Nazca, noted for the ruins of aqueduct and palaces of Incaic splendor. Other stops are made at the small towns of Yauca, Chala, Atico, and Camana.



From Arequipa the regular twice-weekly round-trip flight continues to Mollendo, terminal of Southern Railway, and chief gate for Bolivian exports of wool. Ilo, the next stop, a small port south of Mollendo is in the center of an agricultural section which produces olives, figs, cotton, and grapes. Moquegua, terminus of the standard-gage railway from Ilo has similar products, and also produces copper and lead. A nonstop flight is made weekly in both directions between Arequipa and Tacna, southern terminus of the "Faucett" services. Southern Peru is of interest not only because of its cargoes for commerce—tourists will wish to see the famed ruins and archaeological "finds" which are being unearthed from time to time.

Rubber Corporation Served

The Rubber Development Corporation, agency of the United States Government, has made arrangements with the Compañia de Aviación Faucett, S. A., for handling aviation activities of that corporation in Peru. This includes the operation of two Catalina amphibians between various points. On one of these services, between Lima and Iquitos, the Peruvian Government has authorized common carrier services for passengers and cargo on a weekly round-trip basis.

"Faucett" conducts other charter operations for the Rubber Development Corporation in "Faucett" planes. One of these routes, Lima to Puerto Maldonado, likewise is open to the public.

Línea Aérea Nacional

Línea Aérea Nacional (LAN Peru) supplies a vital link in the transcontinental air network between the Pacific Ocean and the Atlantic seaboard. The mileage schedule to be flown each week is 4,664 over 832 unduplicated route miles. Unscheduled flights to remote sections are made frequently.

From Iquitos, services go westward to Yurimaguas to join with the "Faucett" operations into Chiclayo and Lima and to make connection with Panagra's routes. Eastward from Iquitos, Panair do Brasil supplies LAN with connections to Belem (Brazil) and intermediate points.

From Iquitos south to Pucallpa, is a twice-weekly round-trip service. Land planes continue south from Pucallpa to San Ramon, at the head of the Chaucamayo Valley. This forest town is on the highway from Oroya to Merced, a section of the famous Pichis Trail. More than 2,000 species of valuable hardwoods, besides plantations of cotton, coffee, bananas, oranges, and sugar, are located in this fertile valley and interior region.

The flight from Iquitos to Yurimaguas (250 miles), on the Huallaga River, is made twice weekly in both directions. This mission town is connected with Iquitos by launches and small steamers which require about 4 days for the trip, but is made by air in less than a day.

A semimonthly round-trip operation is made from Iquitos easterly toward Ramon Castilla (256 miles) on the Brazilian frontier; also north from Iquitos to Guepi (326 miles) and northwest to Borja (325 miles), located on the Maranon River.

The Peruvian Air Force started an airmail route from San Ramon to Iquitos (570 route miles) as early as 1928. Operations have expanded, and under the present name—Línea Aérea Nacional (LAN Peru)—routes are provided to these areas in the tropical regions in eastern Peru.

International Air Services

Located on the western bulge of South America, Peru has Colombia and Ecuador as neighbors on the north, Brazil and Bolivia on the east and southeast, and Chile on the south. Bogota, Quito, Lima, and Santiago, the capitals of the four republics which face the Pacific, are connected by quick and efficient services.

Typical of the time-saving advantages afforded by airplane facilities is a trip from Lima to Iquitos, a direct distance of some 750 miles—now made in 5 hours by airplane, whereas, formerly it was a journey of 2 days by highway from Lima to Pucallpa, and another 3 days by steamer from there to Iquitos. From Lima to Santiago, Chile, a distance of 1,650 miles, requires only 10 hours by air route, as compared with 6 days by surface travel.

Iquitos, Frontier Trading Port

Air services converge at Iquitos, capital of the Department of Loreto, chief port of the tropical forested section of eastern Peru, and outlet for the highlands drained by the rivers flowing into the Amazon. This gateway through which commerce passes to both the Pacific and the Atlantic is located on the Maranon River, tributary of the Amazon, 2,300 miles inland from the Atlantic, but only about 500 miles in a direct line from the Pacific. It is on the crossroads for land and water planes; and is on a projected direct route from the Canal Zone and northern points to Buenos Aires.

Pan American-Grace Airways, Inc.

Pan American-Grace Airways, Inc., supplies air facilities to Panama, Colombia, Ecuador, Peru, Bolivia, Chile, and Argentina, linking them with each other and with other nations, in addition to providing domestic services within Peru. Headquarters for PANAGRA'S entire South American operations is in Lima.

Winging south from Balboa (Albrook Airport), Canal Zone, stops are made at Cali (Colombia) and Guayaquil (Ecuador). The first airport of call in Peru is at Talara, a major steamer port situated in the Department of Piura and the refinery center of the petroleum industry in northern Peru. Waters off the rocky coast are famed for deep-sea fishing.

Chiclayo, capital and important distributing center, in the Department of Lambayeque, is a flight of 1 hour and 15 minutes from Talara. Both cities are served by rail, highway, and coastal steamers. From the rich, irrigated valley of the Lambayeque River and tributary streams come rice, sugar, cotton, and cocoa. The flight from Chiclayo to Lima is made in 2 hours and 35 minutes. To Lima there are daily round-trip services, but the schedules between Lima and Arequipa are stepped up to 10 round-trip flights weekly, made in 3 hours. Four round-trips are made weekly between Arequipa and La Paz (highest commercial airport in the world, 13,400 feet). Six flights are scheduled weekly on a round-trip basis to Arica, Chile, for points south and east. PANAGRA'S first all-cargo flight was over a 1,680-mile route from the Canal Zone to Lima. In January 1943, this route was extended southward and over the Andes to Buenos Aires.

Panair do Brasil

Amphibians operated by Panair to Brasil supply regular flights twice monthly between Belem (Brazil) and Iquitos via Manaus and intermediate stops. This Brazilian subsidiary of the Pan American Airways System extended its Amazon Basin route October 1, 1944, to Iquitos, thus providing a new international and transcontinental service across South America.

Other Transport Facilities

Vital Land and Water Links

The most vital link from the Pacific is the Central Highway which affords an international highway-waterway to the Atlantic Ocean, by means of the roadway to Pucallpa, waterway to Iquitos and along the Amazon to Belem, Brazil's most northerly port on the Atlantic.

The southern highway, paralleling the Southern Railway, is being extended to penetrate important productive centers.

Eight peneration roads are projected, and some sections are under construc-

(Continued on p. 47)

At the Lima Airport. Courtesy Panagra

Late AIRGRAMS

Reports Submitted by Offices (in Latin America) of the Foreign Service

Chile

(From the U. S. Embassy, Santiago)

Business conditions in Chile continue somewhat slack notwithstanding that retail sales have been momentarily buoyed up because of the holiday demand. Manufacturers and wholesalers report no particular changes, and importers continue to maintain interest in those United States products which they feel will be available as soon as wartime restrictions are eased. The value of goods cleared through the customs has increased sharply, probably in consequence of the desire of importers to avoid the proposed increases in customs duties scheduled for January 1, 1945.

Central Bank rediscounts for commercial banks amounted to 308,000,000 pesos on December 5, as compared with 106,000,000 pesos on November 30, 1943. Although some rise in rediscounts is a normal seasonal development toward the year's end largely because of the discounting of crop paper, banking circles attribute the high November figures registered in 1944 to the current high prices for agricultural products which increase the value of the paper discounted. Chiefly as a result of the rise in outstanding Central Bank credit, currency in circulation plus sight obligations of the Bank in pesos, increased to 3,041,200,000 pesos on December 5, as compared with 3,018,700,000 pesos a month previously, and 2,606,900,000 pesos on November 30, 1943.

Foreign-exchange resources of the Government and the Amortization Bureau together registered an increase equivalent to $10,500,000 (U. S.) at the end of November, principally because of the semiannual collection of dollar revenues from taxes on the large copper companies. Current but unconfirmed press articles report that Chile's national expenditures for 1945, which were estimated at 4,100,000,000 pesos (U. S. $132,000,000) in the draft of a law recently sent to Congress, will be increased to 4,700,000,000 pesos (U. S. $151,000,000). No indication is given as to the source of the additional revenues required to cover the increase in expenditures.

Santiago press reports state that production difficulties may force the curtailment or suspension of operations by one of the foreign-owned copper companies. An impasse in the collective bargaining negotiation affecting longshoremen in the important nitrate port of Tocopilla resulted in a strike which was promptly settled by a Government decree ordering resumption of work and establishing a compromise settlement of the collective-bargaining issues. The unions at small copper mines have withdrawn their demands for a wage increase and renewed their collective agreements without substantial change.

The National Congress, convened in special session, has thus far not enacted any of the proposed legislation affecting wage earners. With food prices rising at a more rapid rate than has been true at any time during the past few years, wage-earner groups continue to evidence their dissatisfaction through protest meetings in various parts of the country.

The Chilean State Railways estimate that their 1945 income will be approximately 119,000,000 pesos under their previously estimated receipts. Accordingly the railways are requesting authorization to increase freight and passenger rates to cover the deficit. The proposed increase will amount to a little over 8.7 percent.

The Argentine Government is reported to be negotiating with Chile for an exchange of 50,000 metric tons of Chilean coal for 50,000 sacks of Argentine cement. Both commodities would be carried in Argentine bottoms. The recently announced increase by 350 tons per quarter of the Canadian allotment of iron piping is expected to relieve somewhat the current shortage in that article.

Chilean orange growers have signed their first contract for large-scale production of fresh fruit juices to be used in the local manufacture of a well-known United States beverage.

A strike of slaughterhouse workers and meat wholesalers was finally settled after the Army assumed administration of the municipal slaughterhouse at Santiago and the legal status of the organizations involved was revoked. After January 1, 1945, the Santiago meat shops are to be reduced to about one-third the present number. As a result of the meat shortage, prices for domestic dry beans have improved, and rice consumption reached the highest point in years. Flour millers also report greater activity.

Colombia

(From the U. S. Embassy, Bogota)

Few recent changes in the basic economic trends in Colombia were noted during November, although the total volume of business declined somewhat from the high levels of the preceding month. The volume of transactions on the Bogota stock exchange in November, although below the record of October, represented the second highest for any month of the current year, and total transactions for the first 11 months of 1944 have exceeded those for the entire year of 1943. Prices of Colombian stocks declined in recent weeks, attributed chiefly to the nonacceptance of price increases for coffee in the United States and the prospects of higher taxes on domestic enterprises.

According to a report of the Superintendency of Banks, Colombian banking institutions were in a flourishing condition, having increased their capital and reserves during the preceding 12-month period by more than 5,400,000 pesos or approximately 17 percent. Total profits of these institutions during the same period reached 5,407,000 pesos, of which nearly 3,000,000 pesos were distributed as dividends.

The Colombian Congress has devoted its attention to a number of important legislative measures, some of which were made provisionally effective by Executive decree during the state of siege. The budget bill for 1945, the projected revision of the petroleum laws, the new social and labor legislation, the reorganization of the land laws, the establishment of a governmental institute to purchase and control farm commodities, and the ratification of the commercial treaty with Ecuador are among the more important of these measures.

Peru

(From the U. S. Embassy, Lima)

The general economic situation in Peru remains on an even keel, continuing at the levels which have prevailed for some months. Industries are active, labor quiet, and the trend of the principal financial indexes generally upward.

The agricultural situation in December, as throughout 1944, was characterized by exceptional freedom from insect pests and plant diseases, very favorable climatic conditions, and ample water supplies. These favorable factors largely offset persistent labor and fertilizer shortages and sporadic outbursts of livestock epidemics. Satisfactory yields were derived from the major cash crops and the production of food crops was greater owing to expanded acreages planted. Production costs have risen sharply as a result of wage increases and higher prices for implements and fertilizers, but these factors have been compensated in most instances by price adjustments. The over-all food supply remains generally favorably, with substantial wheat and rice carry-overs into 1945.

Meat supplies were less satisfactory, so the Government subsidized producers and permitted higher prices for the better qualities as the means of increasing deliveries for immediate consumption. To stabilize retail fish prices and to make available to the public larger quantities from the seasonably high fish catch, "regulatory stalls" were authorized to be opened in public markets.

In order to cheapen food supplies and guarantee sales at official prices, 26 new regulatory stalls were opened at the Model Market in Lima where garden vegetables, tubers, and fruits will be sold at farm prices plus a small charge to cover expenses. Retail ceiling prices for hog lard were reduced from 2.20 soles to 1.90 soles per kilogram.

The Peruvian Government has been notified, in accordance with the Over-All Metals and Minerals Agreement, that effective January 1, 1945, purchase by the U. S. Commercial Company of copper ores and concentrates would be reduced to 10,000 metric tons, of lead ores and concentrates to 10,000 metric tons, and of zinc concentrates to 30,000 tons. No purchases of electrolytic zinc will be made. Production of Peruvian metals is proceeding normally.

The merchandise balance of trade for the first 10 months of 1944 was 40,900,000 soles as compared with 31,300,000 soles for the same period of 1943.

The coffee market in Colombia has been passing through a period of anxious suspense, following the failure to obtain an increase in coffee prices in the United States. Although the local market has not broken, some operators have attempted to realize on their holdings at the existing high prices; others were believed to be awaiting further developments. Reports that the Government might lower the peso-dollar exchange rate from 1.745 to 2 pesos to the dollar or that a subsidy might be paid on exports of coffee have tended to hold up coffee prices. It has been rumored also that domestic coffee prices would be increased by the National Federation of Coffee Growers, thereby eliminating private exporters from the market, and that no coffee, in addition to the United States quota, would be sold thereafter unless prices abroad were increased. Coffee growers have reported that the recent labor decrees have resulted in raising production costs.

The index of the cost of living for a workman's family in Bogota increased by more than 5 percent during November, and was 16.5 percent above the index in January 1944. A major element in the latest rise was the increase in price of coal, which recently was authorized to enable producers to comply with the new labor laws. Prices of other important commodities, including bread, were expected to follow suit. Laborers and salaried employees continued their protests against the sharply mounting living costs, despite the benefits to labor embodied in the new social legislation.

In consequence of the operating deficit incurred during the year, the National Railways have been authorized to increase freight rates by 20 percent on all articles, except foodstuffs, coal, salt, and a few other items of prime necessity. Bus operators in Bogota were reported to be continuing their efforts to obtain an increase in rates in the face of considerable public opposition.

Domestic air transportation was suspended for several days during November, following the concerted resignation of several hundred employees of Avianca, Colombia's principal air transport company. Following the Government's declaration that the action was illegal, however, operations were resumed and have continued on a normal scale, although negotiations between the management and employees have not been concluded.

Announcement recently has been made of a new contract signed between Avianca, Pan American Airways, and the Colombian Government providing for the organization of a new airport company, the construction of a modern airport at Leticia, and the enlargement of the Bogota airport to permit the landing and servicing of supercraft which it is expected will be available at a later date and which are stated to be now on order.

At a recent meeting of the shareholders of Empresa de Transportes Aéreos "Taca" held in Bogota, the authorized capital was increased to 2,000,000 pesos, of which it is announced 1,000,000 pesos will be immediately subscribed. It is also announced that three airplanes have been acquired and soon will be brought to Colombia with which to initiate operations.

Since new low depths were recorded at the entrance channel of the Magdalena River at the end of October, no ships of United States registry have entered the port of Barranquilla. Unless the current of the Magdalena River continues to scour out the river mouth or a dredge is obtained promptly, there appears to be no immediate prospect of a renewal of large ship traffic to Barranquilla. In the meantime, most vessels are discharging at Cartagena or at the Canal for later transshipment to Barranquilla.

Mexico

(From the U. S. Embassy, Mexico City)

The successful flotation of two bond issues to provide additional capital resources for the Ericsson Telephone Co. of Mexico was announced recently. One was for 10,000,000 pesos of 7 percent 10-year Sinking Fund Bonds of which at least four-fifths were sold to Mexican buyers. The other was issued in terms of Swedish currency to the amount of 20,000,000 crowns and is reported to have been sold outside of Mexico.

In the State of Sonora the Legislature discussed a proposal to borrow 10,000,000 pesos from a national banking institution for the purpose of carrying out needed public works in that State.

A meat-packing plant is planned for the city of Chihuahua, State of Chihuahua, with a capital of from 5,000,000 to 10,000,000 pesos. Important cattle interests in that State are promoting the project. Mexico's packing and storage facilities are not commensurate with the supply of cattle available in the country.

Mexico, normally an exporter of rice, will, according to reports, need to import an appreciable amount of this commodity, owing to the partial failure of the crop in the State of Sonora. It is hoped that some 10,000 tons may be obtained shortly from the United States to cover the deficiency.

Coffee picking has started in southern Mexico, with prospects for a fair crop. Some shipments have been made to the United States, but exporters profess finding present prices unattractive and are disposed to hold back on further deliveries.

Sugar grinding began early in December in the State of Veracruz. Preliminary estimates of the probable total yield for this season's crop are 420,000 metric tons, with requirements for 1945 stated to be 500,000 metric tons.

Planting of spring cereal crops and winter vegetables is proceeding normally in the northern and western areas of the country.

Effects of the Government's new regulations for controlling prices of basic food items in the Federal District have been more favorable than was expected. The improvement has occurred almost wholly in the first half of December. It seems likely that the December index of wholesale prices will reflect the lower quotations. The general wholesale price index figure for November was the highest ever recorded. It touched 240.3 (1929=100) for that month, up four points from the October level of 236.3.

The Mexican press recently has stressed the adverse effects which heavy imports of foreign goods may have on the nation's newly established domestic industries. Capitalists, industrialists, and legislative bodies have freely expressed their fears that unless something is done by the Government to prevent flooding of the local market with cheaper imported goods, the whole program of industrialization and greater self-sufficiency will be endangered.

The use of "air-lifts" has been highly effective in the removal of water from flooded coal mines of the Donets Basin, Soviet Russia, states the press. Use of air compressors and air-lift pumps at the Voroshilov mine has made possible the removal of 1,400 cubic meters of water an hour. It is reported that "air-lifts" are being installed in a number of the mines.

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News by COUNTRIES

Argentina

Transport and Communication

Air-Line Activities.—Commercial air-line activities in Argentina during the first 6 months of 1944, according to a release by the Dirección General de Aeronáutica Civil, were in part as follows: Hours flown, 6,477; kilometers flown, 1,476,771; and passengers carried, 38,524.

British West Indies

Tariffs and Trade Controls

Railway and Tramway Equipment Parts: Import Duties Lowered in Trinidad.—A new customs classification has been established in Trinidad, British West Indies, on railway and tramway equipment parts, including railway and tramway accessories, according to a resolution of the Legislative Council of August 25, 1944, published in the Trinidad Gazette Extraordinary of August 26, 1944. The new classification and rates of import duty are as follows (old rates in parenthesis): Customs tariff item No. 21g, railway and tramway parts, including accessories, British preferential, free (10 percent ad valorem); general, 5 percent ad valorem (20 percent ad valorem).

Canada

Wartime Commodity Controls

Maximum Prices Set for United States Bituminous Coal.—In order to keep the delivered cost to retail dealers of rail-shipped United States bituminous coal, as well as coke and briquets, at a reasonable level in Canada, the Wartime Prices and Trade Board has issued regulations limiting the amount of markup which wholesalers may include in the selling price of such fuel.

Under the regulations, the maximum markup per net ton of the fuel may not exceed the markup on a similar type of fuel sold to the same buyer or class of buyer during the basic period September 15 to October 11, 1941, providing such markup does not exceed 45 cents (Canadian currency) per net ton.

The wholesale price to which the markup is to be added is the sum of the gross price paid to the United States supplier, f. o. b. port of shipment in the United States (but not exceeding the maximum price fixed by the Office of Price Administration of the United States), plus transportation and importation charges.

When fuel is sold by and between wholesale dealers the total amount of the markup of all the wholsale dealers may not exceed 45 cents per net ton. Wholesale dealers have been cautioned that they must continue in practice any difference in price below maximum prices, which they may have allowed certain of their customers during the basic period.

The regulations are effective January 1, 1945.

Sales of New Hot-Air Furnaces Unrestricted.—Essentiality certificates are no longer required for the purchase of new hot-air furnaces, according to an announcement made by the Canadian Wartime Prices and Trade Board on December 15, 1944.

In effect since last June, the system of essentiality certificates was designed to effect fair distribution of furnaces. Persons wanting replacements for existing furnaces which could not be repaired were given first preference, followed by applicants holding a permit from the controller of construction for a new home.

[For previous announcement see FOREIGN COMMERCE WEEKLY for July 8, 1944.]

Chile

Transport and Communication

Developments in Air-Line Services.—Línea Aérea Nacional (LAN Chile) was to renew passenger, freight, and air-mail services between Santiago and Concepcion on November 20, stated the Santiago press.

The Cover Picture

In Norway

An illustration of peacetime Norse progressiveness, our cover picture this week is concerned with one phase of the activities of the "Norsk Hydro" concern. We see here the calcium-nitrate works at Rjukan, in Norway. The mountain on the right is Gausta, 1,900 meters (6,230 feet) in altitude, the highest in southern Norway.

For the first time, a flight was made in 1 day between Punta Arenas, Province of Magallanes, and Arica, Province of Tarapaca.

Colombia

Transport and Communication

Bids Open for Bogota Telephone Lines.—A call for bids on 40,000 new lines for the Bogota telephone system appeared in the leading newspapers of Bogota, Colombia, on November 16, 1944. Bids will be closed on February 15, 1945.

Cuba

Wartime Commodity Controls

Various Taxes Suspended or Modified.—The Cuban Government has suspended or modified the collection of 19 taxes and charges previously applicable to a wide variety of products and activities, according to Presidential decree No. 3779, effective upon promulgation in the Official Gazette of October 25, 1944. The list of taxes and charges suspended is as follows:

(1) The tax of 1 peso for the renewal of a driver's license which was established by decree law No. 510 of January 13, 1936;

(2) The tax of 3 percent on admission fees to athletic events, established by agreement law No. 2 of 1941;

(3) The annual tax on radio receiver sets of 0.50 peso on sets of five tubes or less and 1 peso on those of more than five tubes, established by agreement law No. 1 of 1941 and modified by law No. 7 of April 5, 1943;

(4) The annual tax of 1.50 pesos on refrigerators established by agreement law No. 1 of 1941;

(5) The tax of 3.3333 percent on funds to guarantee contracts and obligations established by law of October 3, 1923, and modified by law No. 7 of April 5, 1943;

(6) The tax of 3.3333 percent on rent guaranty deposits established by law No. 7 of April 5, 1943;

(7) The tax of 3 percent on inactive current bank accounts established by law No. 7 of April 5, 1943;

(8) The tax of 0.05 percent on sales of foreign securities established by law No. 7 of April 5, 1943;

(9) The tax of 50 centavos paid by tourists and excursionists established by law of October 13, 1937;

(10) The tax of 1 peso on passengers arriving in Cuba by boat established by order No. 155 of the Quartermaster General of May 15, 1902;

(11) The tax on radiotelegraphic and cablegraphic messages, and the tax on long-distance telephone calls, established by law No. 29 of 1931; and

(12) The taxes established on the principal and interest of bonds issued by municipalities of the Republic in guaranty of their obligations.

The list of taxes and charges which were modified is as follows:

(1) The first-class national postal rate and international postal rates for America and

Spain were reduced from 3 to 2 centavos per ounce, or fraction thereof; charges for registration for all classes of mail were reduced to 8 centavos; rates for post cards were reduced to 1 centavo; and the one-half cent "Victory Stamp" required on all mail was abolished.

(2) Telegraph rates were reduced by 1 centavo per word.

(3) The tax was suspended for tickets selling for less than 0.50 peso to motion pictures; for theater tickets selling for less than 1 peso; and for admissions selling for less than 1.50 pesos to operas, concerts, and similar affairs.

(4) The 10 percent tax on luxury articles (including shoes above 5 pesos in value) established by agreement law No. 1 of 1941 and modified by law No. 7 of April 5, 1943, was suspended on shoes valued at less than 10 pesos.

(5) The monthly tax of 0.15 percent on funds invested abroad is suspended in the following cases:

(a) On the funds or balances maintained abroad in current accounts, by banks established in Cuba for the necessary operations of the banking business, and

(b) On investments in war bonds of the United Nations, provided they do not exceed 50 percent of the total value of the taxpayer's investments abroad. This suspension will be in force for the duration of the war and 1 year thereafter.

[A brief summary of these taxes, based on press reports of October 17, 1944, in Cuba, was published in FOREIGN COMMERCE WEEKLY of November 18, 1944. However, the decree was not published in full until its promulgation in the Official Gazette of October 25, 1944.]

Tariffs and Trade Controls

Limitations Placed on Type of Cargo To Be Carried on Vessels of More Than 1,000-Net-Tons Registry.—Vessels of more than 1,000-net-tons registry engaging in export traffic between Cuban and foreign ports may carry only sugar, minerals, and products given priority by the Cuban Maritime Commission, in accordance with Maritime Commission general order No. 18, effective for 3 months beginning 15 days after promulgation in the Official Gazette of October 6, 1944. The order does not apply to goods which cannot be transported on smaller vessels or in cases where vessels of less than 1,000-net-tons registry are not available. Ships operated by the governments of the United Nations are exempt from these provisions.

Ecuador

Wartime Commodity Controls

Sales of Machetes Placed Under Control of Ministry of Economy.—According to Ecuadoran ministerial resolution No. 108 of November 17, 1944, all merchants having machetes in their possession were ordered to place them at the disposal of the Office of Foreign Commerce in the Ministry of Economy, and effective December 1, 1944, any sales that are not made through the Ministry or the Development Banks will be considered as contraband, the goods will be confiscated, and fines will be imposed. All importers and merchants delivering machetes to the Office of Foreign Commerce are to receive the cost price of the machetes plus a 15 percent profit.

El Salvador

Tariffs and Trade Controls

Export Duty on Coffee Fixed.—The Salvadoran export duty on coffee for the crop year November 1, 1944, to October 31, 1945, has been fixed by decree at 3.16 colones per quintal (101.43 pounds), which is the same rate that was in effect during the preceding crop year. This action was in accordance with provisions of decree No. 77 of November 11, 1943.

[For announcement of provisions of decree No. 77, establishing an export tax on coffee linked to coffee prices, see FOREIGN COMMERCE WEEKLY, of December 11, 1943.]

France

Tariffs and Trade Controls

Import and Export Service Established.—An Import and Export Service, attached to the Direction of Foreign Commerce of the Commissariat for Supplies and Production, has been established in France, as a temporary measure, by an ordinance law issued by the Provisional Government of the French Republic on June 22, 1944, and published in the Journal Officiel of the French Republic on August 5, 1944.

No goods may be imported into France or exported from France except through the Import and Export Service, or with a license from the Direction of Foreign Commerce.

Exceptions from this provision may be made for exchanges of goods between continental France, on the one hand, and, on the other hand, Algeria, French oversea possessions, and countries under French protectorate or mandate, by decrees countersigned by the Commissioners for the Interior, for the Colonies, for Foreign Affairs, for Finances, for Supplies and Production, for Communications, and for the Merchant Marine.

The service is obligated to assure, in the liberated territories of continental France: The receiving, taking over, delivery and billing to the payees designated by the interested commissioners, of goods imported through the service; the taking over, transit, loading, and administrative and financial operations relative to exports made through the service; and, when required, all or part of the operations specified above for the account of importers and exporters holding licenses.

The service is to have a central section and, in each of the transit bases, an agency organized temporarily by the director of the service, in liaison in the seaports with the local shipping service, subject to subsequent approval by order of the Commissioner for Supplies and Production.

The provisions of this ordinance may be made applicable wholly or partly to

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, messages, and speeches]

How Shall We Achieve "the Social Objectives of a People's Peace"?

The social objectives of a people's peace—rising standards of living, full employment, social security, and economic development—are now discussed more widely and in more practical terms than ever before. There can be little doubt that national governments will encounter a widespread and earnest demand for action designed to achieve those objectives. There is equally little doubt that independent and uncoordinated action by national governments is likely to hinder the international economic collaboration that is essential if employment and security are to be achieved together with high living standards.

For this reason mechanisms of consultative cooperation *between* national governments are required. The International Labour Organization is such a mechanism, and a start has been made to organize additional examples, notably in the Conference on Food and Agriculture and in the proposed International Monetary Fund and International Bank for Reconstruction and Development. It has become evident that the governments of the United Nations are moving toward the coordination of national policies of improved economic welfare through international institutions. This is the positive approach to a peaceful and cooperative world order.

The piecemeal creation of technical bodies in related and overlapping fields of international cooperation cannot, however, be sufficient. The problems to be solved are both vast and interrelated. Employment and security must be based upon increased productivity, which in turn depends upon orderly investment. Agricultural and industrial production, food, and health—indeed all the varied aspects of human welfare—must form part of an integrated economic policy. It is probably wise to start by creating technical institutions for special functions—but unless these institutions are *governed by common aims* their usefulness will be limited and they may even work at cross-purposes.

If the objectives of a people's peace are to be achieved, therefore, there is no escape from the necessity for a considerable measure of *integration and coordination of policy* both internationally and functionally.

(The above is our third and last excerpt from the noteworthy new book "The Common Interest in International Economic Organisation," by J. B. Condliffe and A. Stevenson, published by the International Labour Office at Montreal, Canada.)

Algeria and to the colonies, by decrees issued upon recommendation of the interested commissioner.

French Colonies

Economic Conditions

Temporary Council of Economic Action Created in Madagascar

A Temporary Council of Economic Action has been created in Madagascar, charged with studying a plan of equipment of the Colony for the development of production in all its domains, by an order of September 27, 1944, published in the Journal Officiel of Madagascar on September 30.

The Council may be called upon to examine other questions concerning the general economy of the Colony. It is to meet at Tananarive and is to be divided into eight technical commissions, as follows:

1. Agriculture; stock raising; forests; rural engineering; conditioning (export standards);
2. "Retail" commerce (importation by consumer and exportation to consumer);
3. Transformation industries and manufactures;
4. Mines;
5. Economic equipment ("outillage") of general interest;
6. Cooperation and labor;
7. Financing of economic life;
8. Air, sea, and land transportation.

Exchange and Finance

Requisitioning of Dollar Holdings in Algeria, French West Africa, French Equatorial Africa, African Territories under French Mandate, Madagascar, French Somali Coast, French Establishments in India and Oceania, French Guiana, Guadeloupe, Martinique, Reunion, and St. Pierre and Miquelon.—Requisitioning of holdings of United States dollars on account in the French territories named above, for the benefit of the Exchange Stabilization Fund, is provided for by an order of the Provisional Government of the French Republic of July 28, 1944, promulgated on August 27 at Algiers and reprinted in the Journal Officiel of French Cameroun of September 1, 1944. Physical persons of French nationality, as well as French subjects or protegés who have their habitual residence in one of the territories enumerated, and legal entities, so far as their establishments in the French territories are concerned, who have title to accounts in United States dollars opened in their name either in the United States or in another foreign country, must give their correspondents the necessary orders for transferring these sums to an account opened in the United States in the name of the French territory in which these persons have their residence or their business establishment. When the owner is absent or unable to comply with the obligation it devolves upon the possessor of his power of attorney.

A period of 2 months from the date of publication of the order is allowed for compliance. When the owners are banks they must order their correspondents in the United States to make the transfer to the account of the Exchange Office in the United States. In the case of bank accounts opened in the name of clients, the bank is authorized to establish for its client a franc account equivalent in value to the dollar account. The exchange offices of the individual colonies credit the assignors with the counter value in francs at the official rate of exchange of the day of publication of the order (that is 50 francs to the dollar) as soon as they are advised of the transfer by their correspondents in the United States. The dollars thus collected are turned over to the Stabilization Fund created by an ordinance of February 2, 1944.

[The order stated further that a subsequent order would fix the date of its application in Corsica. The Department of Commerce has not yet received information indicating that this step has been taken. An order applying to French Morocco was reported in the Foreign Commerce Weekly of October 28, 1944.]

Tariffs and Trade Controls

Import Duties Changed on Certain Items Entering Martinique.—An Executive order published in the Journal Officiel de la Martinique, November 9, 1944, changed the import duties on certain items as follows:

Imports of virgin or mixed woolen yarns, combined or carded, and canvas to be used in the production of tapestries and needlework, destined for exportation, will be admitted duty free in Martinique, provided the completed items are exported through the customs at Fort-de-France, within 6 months after importation of the raw materials.

Chemises brough into Martinique to be hand-embroidered and then reexported may be entered duty-free. Fort-de-France will be the only port of entry handling such transactions, and reexportation will have to be made within 6 months.

The rate of import duty on extracts of quercitron imported into Martinique has been reduced to that applying to imports of extracts of quebracho, namely, 116 francs per 100 kilograms under the general tariff and 29 francs under the minimum tariff.

[Heretofore, imports of extracts of quercitron have been dutiable with other red or yellow extracts of dyewoods at the rate of 540 francs per 100 kilograms under the general tariff, and 135 francs under the minimum tariff which applies to imports from the United States into Martinique.]

Belgian Industry Resumes Activity

The SHAEF Mission in Belgium has drawn up a program for the development of industries vital to the war. The statement below shows the percentages reached in ratio to the ideal output, for the week ended November 15:

Production of coal, 70 percent.

Repairs to railway bridges and to roads, 90 percent.

Repairs to locomotives, and maintenance, 85 percent.

Clearance of and repairs to canals, 82 percent.

French North Africa

Economic Conditions

The paralyzing effect of the war on the economic life of Tunisia cannot be too strongly emphasized, according to a recent report from the American consulate at Tunis. The war has severed Tunisia from its normal markets and sources of supply. During the period of Axis occupation the colony was drained of its resources and suffered extensive damage to its cities, ports, railroads, and public utilities.

The reconstruction in progress since May 1943 has been retarded by scarcity of supplies and equipment, transport difficulties, and increased labor costs. Staple products are rationed by the Tunisian Economic Department, but the rationed products are scarce, rations are inadequate, black-market activity is extensive, and prices are rising steadily.

The 1944 grain crops were below average, but consumption needs are to be met by planned imports from the United States; a bumper olive crop is almost assured, making possible exports of 50,000 tons; the date crop is likely to be poor, and the wine yield only one-third of average. Mining activity has slackened, but exports are negligible, thus causing stock-piling at the mines. It appears that no real economic recovery is possible in Tunisia until needed supplies and manufactured goods can be imported in adequate quantities.

Manufacturing, Power, and Mining

Manufacturing in Tunisia is related to agriculture and mining except for a few native artisanal trades. A few minor wartime industries have grown up to supply goods normally imported, such as shoes and clothing. The industries have been working on considerably reduced schedules owing to general conditions.

Pre-war annual output of electric energy reached a peak of 80,000,000 kw.-hr., furnished mainly by the Goulette plant and eight other small stations. War damage reduced output to 30 percent of normal, and, though there has been considerable recovery, production remains inadequate. A Government announcement in October outlines plans to increase annual output to 200,000,000 kw.-hr., by a program of dam construction and by increasing the capacity of the Goulette plant to 100,000,000 kw.-hr. per year.

Mineral production has slackened, but since exports have stopped almost entirely there has been inevitable stock piling. Annual output of phosphate rock before the war averaged 1,800,000 metric tons, and, although production in the third quarter of 1944 took place at only one-fifth the normal rate, stocks

stood at 2,000,000 tons. Iron-ore output was only 15 percent of normal during the same period, when more than 200,000 tons were on hand. There are also small stocks of lead and zinc ore. Lignite deposits in the Cape Bon area are being worked, owing to the shortage of imported coal, with monthly output between 5,000 and 6,000 tons. Resumption of exports depends on port reconstruction, particularly at Sfax, and on the availability of shipping.

AGRICULTURE

The principal agricultural resources which normally provided exportable surpluses are the grain, olive, grape, esparto grass, and date crops.

In 1944 the grain crop picture was as follows: Durum wheat production of 145,100 metric tons was 59.6 percent of the 10-year average for 1930–39, on 560,000 hectares (1 hectare=2.471 acres), or 90 percent of the normal sown acreage. On 70 percent of the normal area sown to soft wheat—90,000 hectares—43,000 tons were produced, 30.1 percent of the average for the same 10-year period. The barley crop of 112,100 metric tons, or 56 percent of the 1930–39 average, was produced on an area of 437,000 hectares, or 80 percent of normal. Since the 1944 production is inadequate to meet local needs there are no exports, and bread is rationed (9 ounces daily per person). The deficiency is to be met, according to an official statement, by imports of 40,000 tons from Allied sources before the end of 1944, and of 50,000 tons from France as soon as practicable.

In good years the yield of olive oil provides an important staple food and a substantial export surplus. On a conservative basis it is estimated that production this year will be 85,000 tons, nearly double the 1930–39 average. Reserves on hand on October 31, 1944, were 6,700 tons of which a large part was earmarked for French needs. Annual consumption needs of Tunisia are approximately 30,000 tons, leaving 55,000 tons available for export. Even this surplus creates a series of problems under present conditions. If prices are favorable for export it will be difficult to find the shipping space and if, on the other hand, the demand is limited, a major problem is posed by the difficulty of properly storing the oil.

Wine production is expected to total 500,000 hectoliters this year as against the 1930–39 average of 1,436,300. The main reasons for the failure are drought and disease, and it has been difficult to obtain sulfur for dusting and copper sulfate for spraying.

No figures are yet available on the current date crop. This year's crop, however, is understood to be short of the 1930–39 average of 2,040 metric tons of Degla dates and 19,440 metric tons of common dates. The authorities are reserving 700 tons for the Allied forces and 4,500 tons to be shipped to France, and local consumption will presumably account for the remainder.

Esparto grass cannot be exported on account of the shipping shortage, but in any case prices are higher than for the Algerian product, owing to the difficulty of obtaining labor.

Shipments to Persian Gulf Ports

Importers in the Persian Gulf, particularly private individuals purchasing household goods and personal supplies, have experienced considerable difficulty recently because shipments for nearby areas have been landed in Iraq. Such consignments are invariably considered Iraqi goods not entitled to on-forwarding without payment of duty, and Iraqi officials have virtually prohibited the reexportation of imported goods.

Even when on-forwarding is permitted, duty must be paid in Iraq, and it is of no avail in such instances that the goods or the shipping documents are marked "via Basra" or "transit." They are considered Iraqi goods when landed in Iraq. Similar conditions are understood to prevail in Kuweit and Iran.

Goods for Kuweit should be landed only at Kuweit, shipments for Iran only at Khorramshahr or elsewhere in that Kingdom.

BANKING

Idle capital is reported at high levels and total bank deposits are double or treble their pre-war amounts. The low level of business activity is reflected in the reduced value of local paper discounted. The discount rate of the Bank of Algeria (the bank of issue for Tunisia) is at present 3½ percent (4½ percent in February 1939). General restrictions born of war economy make for a relatively sound collection situation. Banks have been conservative in granting credits and could be expected to be even more so in the event of a resumption of private (other than government-to-government) foreign-trade transactions.

Guatemala

Tariffs and Trade Controls

Duty Rebate Granted on Edible Vegetable Oils Packed in Glass Containers.—A rebate of 25 percent of the Guatemalan import duty on edible vegetable oils when imported in glass containers has been authorized by a customs circular dated October 19, 1944. This reduction will be granted as long as it is necessary to pack these products in glass containers instead of tin containers as formerly.

Imports of olive oil are excepted from this rebate provision by a customs circular dated November 16, 1944, and remain dutiable at the full rate of 0.10 cents per gross kilogram.

Wartime
Shortcuts and Savings will
Pay Profits After the Victory

Italy

Transport and Communication

Increased-Weight Limit and Registration for Letters.—Effective December 12, 1944, letters for places in Italy (including Sardinia and Sicily) and the Vatican City State, to which restricted mail service has been placed in operation, may be accepted for mailing up to a weight limit of 2 pounds 3 ounces, but not to contain merchandise of any kind, by the Postmaster General's order No. 26737 of December 11, 1944, published in the United States Postal Bulletin of December 12.

Provision likewise is made, effective at the same time, for the resumption of registry service.

Letters and packages prepaid at the letter rate of postage are restricted to communications (personal or business) which are not transactional in character, and it is emphasized that they may not contain merchandise of any kind.

In addition to the Vatican City State, to which service for letters, post cards and registration is in effect, the Provinces of Italy (including Sardinia and Sicily), to which service is now in operation for letters, post cards, and registration, as well as personal support remittances sent through the medium of banking institutions, are summarized as follows:

Aquila, Ascoli Piceno, Avellino, Bari, Benevento, Brindisi, Campobasso, Catanzaro, Chieti, Cosenza, Foggia, Frosinone, Grosseto, Lecce, Littoria, Macerata, Matera, Naples, Pescara, Potenza, Reggio Calabria, Rieti, Rome Province, Salerno, Sardinia, Sicily, Taranto, Teramo, Terni, and Viterbo.

The provisions of order No. 26354 of October 30, 1944, regarding gift packages for civilians in the Vatican City State and the Italian cities of Rome, Naples, and Palermo (Sicily) remain in effect. Parcel-post packages for other places in Italy are not accepted for mailing.

[See FOREIGN COMMERCE WEEKLY of November 4 and 11 and December 9, 1944, for the text of order No. 26354 of October 30, 1944, and orders concerning resumption of mail service and personal-support remittances.]

Mexico

Economic Conditions

The third quarter of 1944 was marked by one of the worst cyclonic disasters in Mexico's history. Heavy floods, accompanied by torrential rains and high winds, swept the country several times during August and September, leaving widespread areas paralyzed. Soil saturation and high-flood conditions con-

Executive Says Mastery of Foreign Languages Is Essential To World Trade After War

An adequate working knowledge of Spanish, Portuguese, and other foreign languages will be one of the *essentials* which representatives of United States trade and industry will have to possess in meeting the challenge of competitive foreign trade after the war. This was the opinion expressed by Juan E. Godoy, manager of W. R. Grace & Co., in a recent address before the Eleventh Annual Foreign Language Conference.

Mr. Godoy, who has spent the better part of his life in promoting closer trade and cultural ties among the American republics, observed that the general belief that only 10 percent of United States production was exported to foreign consumers was erroneous. He cited statistics to prove that as much as 50 percent of the output of certain large and vital industries finds its way to markets abroad. More specifically, he declared that 28 percent of the tractors manufactured in this country, 36 percent of power-driven metalworking machinery, and 14 percent of automobiles were produced for export.

Mr. Godoy added that intelligence and business ability were basic equipment in foreign trade, but insisted that "firms in the United States engaged in foreign commerce should have a larger reservoir of men and women *with a good practical knowledge of languages* on which to draw."

"Through frequent visits to South America," he continued, "I have had occasion to observe at first hand the vital necessity for American commerce and industry to send out representatives who have a good practical knowledge of the language spoken in the countries which they cover. These representatives should be men who can speak fluently the language of the country and thus be able to get full advantage of the contact between buyer and seller."

Observing that the post-war world would offer greater opportunities for foreign-trade expansion than ever before in history, Mr. Godoy, himself a native of the Spanish-speaking world, went on to stress the importance of Spanish insofar as this country is concerned.

"I am placing special emphasis on Spanish," he said, "because the American republics are the natural market for our commerce and Spanish is the language of most of the American republics. It is, of course, important for men who go to Brazil to have full command of Portuguese, just as it is for people who intend to do business in Russia, China, or any other country to have full command of the language of the country in which they are interested."

Mr. Godoy terminated his talk by advocating a more direct and practical approach to foreign-language study, and called for a revision of pedagogical methods in the field of languages which would permit the student to speak a language with fluency, instead of giving him a merely passive ability to understand it in its written and spoken forms.

ditions continued to affect the economic life of the country for weeks after the tempest had subsided.

The most seriously affected regions were along the low-lying coastal lands of the States of Veracruz and Tabasco, and throughout Chiapas and Oaxaca. Acapulco was damaged by hurricane, and Tampico and the surrounding region were almost completely inundated. Farther north, in the States of Chihuahua and Coahuila, wide areas were injured by earlier storms. In the heavily flooded regions entire towns and villages were washed away, with consequent widespread suffering and considerable loss of life.

Damage to roads, bridges, railroads, and other public works was serious, and property losses amounted to millions of pesos. The International Bridge over the Suchiate River was practically destroyed, and the Tehuantepec River bridge was washed away. Communication between the northern and southern sides of the great Isthmus of Tehuantepec was severed by the interruption in rail traffic, air transportation, and telegraphic services. A break in the pipe line carrying crude oil from the producing fields around Tampico to the refinery at Atzcapotzalco on the outskirts of Mexico City entailed immediate and emergency rationing restrictions on gasoline and kerosene in the Federal District which lasted for several weeks.

It is believed that communication across the Tehuantepec Isthmus will not be fully restored for some time, and, therefore, many supplies for the west and southwest coastal regions will have to be moved to destination by way of the Panama Canal. Pipe lines are being laid across the Tehuantepec River at the point where the railway bridge was washed out to permit pumping of oil across the river and thus bolster the supply situation on the Pacific side of the Isthmus.

In view of the large areas affected, the isolation of many of the flooded districts, and the lack of funds and mechanism to cope with this situation, it is believed that it will be some time before conditions in these regions again become normal.

Finance

Collections were almost uniformly good throughout the quarter, and credits were generally ample for the needs of the communities. However, credits were restricted at certain times during the quarter in Chihauhua, Reynosa, Torreon, and Veracruz, and some other districts tightened up on loans in order to curb inflation and for reasons of business caution in the face of currently high prices.

There were no bankruptcies of importance during the period, and both commerce and industry apparently were enjoying good earnings generally. Exchange rates on New York and London were steady and practically unchanged.

Customs collections held up well during the quarter, particularly those deriving from imports. Receipts from exports were lower, but Government revenues from all sources for the first half of 1944 were reported to be favorable in comparison with the corresponding period of 1943, and in excess of budgeted requirements.

Industry

Industrial activity was fairly well sustained during the early part of the third quarter, but it slackened as the period progressed, owing partly to the rainy season, and partly to the favorable war news. Deficient transport facilities also continued to affect industry adversely, causing delays in deliveries and, in some cases, a suspension of work in factories. Optimistic aspects of the European war news influenced manufacturers to take stock of their position with a view to consequences of an early end of German resistance. Businessmen do not overlook the possibility of strong competition from foreign manufacturers once the hostilities in Europe cease.

Many manufactures, formerly imported, have been temporarily replaced by goods of domestic manufacture, and the production of these lines has encouraged expansion of pre-war plants. In not a few instances a new export trade in the product has added materially to the volume of output. This situation has involved the carrying of heavier inventories in raw materials and accessory supplies, an expanded labor force, and the investment of extra capital in merchandising and credit facilities by the operators. Rumors of imminent peace in Europe caused some cancelations and a reluctance on the part of customers to place new orders. The slight tapering off in general activity was noticeable in the manufacture of textiles, lumber, liquors, glass containers, footwear and leather goods, and metal refineries.

Other industries less affected by seasonal conditions included the Yucatan cordage mills, flour mills, soap factories, oilseed processing establishments, steel plants, and breweries, which worked to capacity. Cement plants maintained great activity owing to continuation of intensive private building work. The re-

Wartime Ingenuity
Is Already Shaping
Peacetime Miracles

pair and replacement work on highway and railroad bridges, necessitated by the recent storms, is expected to augment greatly the orders for cement.

Textile mills, particularly those engaged in manufacturing cotton and woolen goods, have been working at full capacity. Some of the older cement plants and many of the textile mills are utilizing old and, in some cases, almost obsolete machinery. The few modern textile mills are engaged primarily in the production of rayon. The modernization of the textile industry is being considered, and such modifications would seem to be indispensable to Mexico's holding a portion of its present export business in textiles, or even some parts of the tariff-protected domestic market, once the war is over.

New Industries

Several new industries were established or projected during the third quarter, of which the most important is a large concern to manufacture rayon yarn. This enterprise, which is backed by combined Mexican and American capital, has been incorporated under Mexican law and has started the construction of a plant at Poncitlan, Jalisco.

Progress also was reported on the establishment by an American manufacturer of a plan near Saltillo to make and assemble agricultural machinery. The new factory will be in the area served by two of the largest steel-producing mills in Mexico and adjacent to the rich and extensive farming areas of northern and northeastern Mexico.

The formation of the Compañía Deshidratora de Tampico, S. A., to operate in the field of fruit, vegetable, egg, and milk dehydration, was officially announced. The plant, with a capacity of 30 tons of fruit and vegetables daily, will be built at Tampico. At Guaymas, Sonora, construction of a quick-freezing plant, known as Productos Congelados, S. A., was reported to be under way. In the same State the company Linera de Sonora, S. A., is expected soon to receive machinery for processing flax fiber. This plant will provide an outlet for the most important flax-producing region of Mexico. A new sugar mill, with a capacity of 2,500 metric tons of cane daily, is planned for the town of Martinez de la Torre, State of Veracruz. This project has greatly stimulated land values in that region which have risen from 10 to 1,000 pesos per hectare.

Progress was made during the quarter by a tinfoil company, financed by United States interests, which will establish a factory, probably in the Federal District, costing more than $500,000. The capacity of the proposed plant will be 6,000,000 pounds of foil per annum and will be sufficient for Mexico's entire requirements for industrial foil. Furthermore, it will utilize between 80 and 90 percent of domestic raw materials.

Mining

The general mining strike which was called throughout the country on June 8 continued in many of the properties until well into July. Chief points of controversy were the size of wage increases to be granted, retroactive date from which such increases would run, and the question of a general uniform contract to apply throughout the industry. Final settlements were almost as varied as the number of companies involved. Wage increases ranged from 25 to 75 centavos per day for the most part, but in some cases were waived entirely where small and financially poor outfits were unable to meet the added burden. Retroactive dates also were varied according to circumstances, and the idea of a uniform labor contract for the industry as a whole was temporarily abandoned.

Unofficial figures for mineral production showed substantial decreases as compared with output in the first quarter of the year. The major minerals, copper and lead, were down from 20 to 30 percent, and zinc approximately 10 percent. These reduced amounts of ore mined reflected the lag in work in July, which followed the stoppage of work in June, and the usual rainy season slowdown.

Exports of minerals and refinery products also were generally lower in the second quarter than in the first, as difficulties of transport were an added factor affecting the outward movement of ores and refined metals. Less urgency on the part of the United States buyers also was reflected in the lower export volume in the third quarter. However, mining and its allied activities continued to hold first place in Mexico's economy.

Petroleum

Petroleum production during the third quarter of 1944 was at a higher rate than during the second quarter, especially in August, when the yield ran to more than 100,000 barrels a day. Figures for the first 8 months of 1944 indicate a total for the year of over 38,000,000 barrels of crude petroleum, or nearly 10 percent more than in 1943.

Exports of petroleum products, on the other hand, were lower, with shipments during the third quarter off 23.6 percent from the rate maintained during the first half of the year.

There were no serious labor disputes in the petroleum industry during the third quarter, although discussions between officials and workers took place over the new collective labor contract which finally was signed on September 7. By its terms, the Government petroleum agency assumed additional annual obligations to workers and employees amounting to approximately 28,500,000 pesos. This includes 24,000,000 pesos annually for wages, salaries, and social benefits which were granted to the Oil Workers' Syndicate on July 1, 1944. At the time the new contract was concluded, Pemex agreed to further annual expenditures on behalf of the workers, totaling 4,500,000 pesos, which will be expended chiefly on certain housing, medical and other services, schools, and rental payments.

Foreign Trade

The trend toward greater importation, which commenced early in the year, was strengthened throughout the third quarter, giving prospects of a substantial excess of imports over exports for the present year. The last year, and the only one in the present century, in which

Developments in India's Export-Trade Control During 1944

In April 1944 a separate executive organization headed by a Chief Controller of Exports was set up in the Commerce Department of the Government of India, to administer export-control regulations.

With a view to tightening up export control so as to conserve essential supplies, restrictions were placed during 1944 on the export of a wide variety of articles such as textiles, manures (including oil cake), bone and bonemeal, leather and leather goods, and paper and stationery.

Assistance, however, was given to the special demands for civilian supplies from Allied nations, Ceylon, the Union of South Africa, East Africa, Australia, and other British areas, Afghanistan, and the Middle East. Requests from these areas were screened in the light of the domestic supply position.

Exports to Portuguese India were brought under the licensing procedure, and licensing was also applied to exports to certain maritime Indian States on the west coast of India in order to restrict quantities of exports to bona fide consumption needs. Special action was taken to prevent the accumulation on the Iranian land frontiers of goods subject to strict export control which might find their way across the border through the activities of smugglers.

During the year the Government of India made special arrangements to coordinate the issuance of export licenses in India with the granting of import licenses by Middle East countries.

As a part of a combined world planning scheme, India has permitted the export of a minimum quantity of cloth to various countries, extending from West Africa to New Zealand. Ceiling prices have been applied to exports to these countries of mill-made cotton piece goods. The Government of India has reserved the right to withdraw these ceilings with respect to exports to any country if the government concerned fails to adopt measures regulating prices and margins of profit in the interests of the ultimate consumer.

Mexico's trade showed an excess of imports over exports was in 1941. In that year the excess of imports responded to heavy buying for merchandise inventories on the part of forward-looking Mexican traders. In 1944 this excess is heavily weighted by the value of foodstuff imports—corn, wheat, lard, and sugar. Fortunately, the country has ample reserves of foreign exchange to take care of these excess purchases, and no reason is seen for immediate concern over the situation.

Cost of Living

During the third quarter there was an interruption in the price trend which had been steadily upward for several years. The Monthly Wholesale Price Index of the Federal District, representing foodstuffs, wearing apparel, domestic furnishings, and fuels, showed a slight decline in August 1944 to 234.0 from the July peak of 234.6, and a further decline in September to 233.9 (1929=100). Lower prices of foodstuffs was the chief factor in bringing about this change in trend in the Federal District. Despite this hopeful sign, it will unquestionably be some time before this trend is reflected in lower living costs, especially since the destruction caused by the recent storms has caused shortages in some lines.

Price Control

Living costs in Mexico did not alter appreciably in the third quarter, and prices of many staples continued high. Sugar gave signs of disappearing entirely from the market, as the supply dwindled and prices soared. Both milk and egg quotations were well above prices of last spring, and these and butter, lard, canned goods of all kinds, fruits, vegetables, and most meats were selling at higher prices in the Federal District than in almost any part of the United States. Similar complaints were received from districts as far apart as Agua Prieta, Sonora, on the northern border, and Tapachula, Chiapas, on the southern border. Merida, Yucatan, reported an improvement in general business and lower prices for some domestic products, with plentiful supplies of corn, beans, flour, lard, bran, and barley. Mazatlan, Sinaloa, on the other hand, reported that despite official control measures adopted to hold down living costs, prices of prime necessities rose gradually in that district during the quarter.

Strenuous effort is being made by the Central Government to alleviate this general situation. More stringent control measures have been enacted, the powerful forces of the Federal Department have been invoked, and legislators and public alike have been urged to collaborate in bringing about a lowering of prices.

Transportation

Railroad service, which was not too steady at the beginning of the third quarter of 1944, suffered from continued freight congestion and from seasonal rains as the period progressed, and was all but completely disrupted by the September cyclone. It probably will be some months before traffic is again at even the degree of normalcy prevailing during the second quarter of the year. Basic work of rehabilitation continued, however, and considerable new rolling-stock equipment, including a number of Diesel engine locomotives, was received by the National Railways System. South-bound loaded car movement through Nuevo Laredo during the period May to August, inclusive, averaged 2,354 as against 1,723 for the same months of 1943, and north-bound loaded car movement through the same border point averaged 1,549 during this period, as compared with 2,159 in the corresponding months of 1943. The foregoing figures reflect the changed trend of foreign trade in 1944, with emphasis on the south-bound movement. The number of cars moving southward during 1944 was much greater than in 1943; on the other hand, there was a considerable decline in the number of cars moving northward in 1944, as compared with the preceding year.

Highway transport, largely trucking, was badly handicapped by storm results and by lack of equipment and spare parts. Tires, tubes, and replacement parts still were exceedingly scarce during the third quarter and gasoline frequently was unobtainable. Black markets in these articles became an important factor in raising the already inflated cost of living throughout the country.

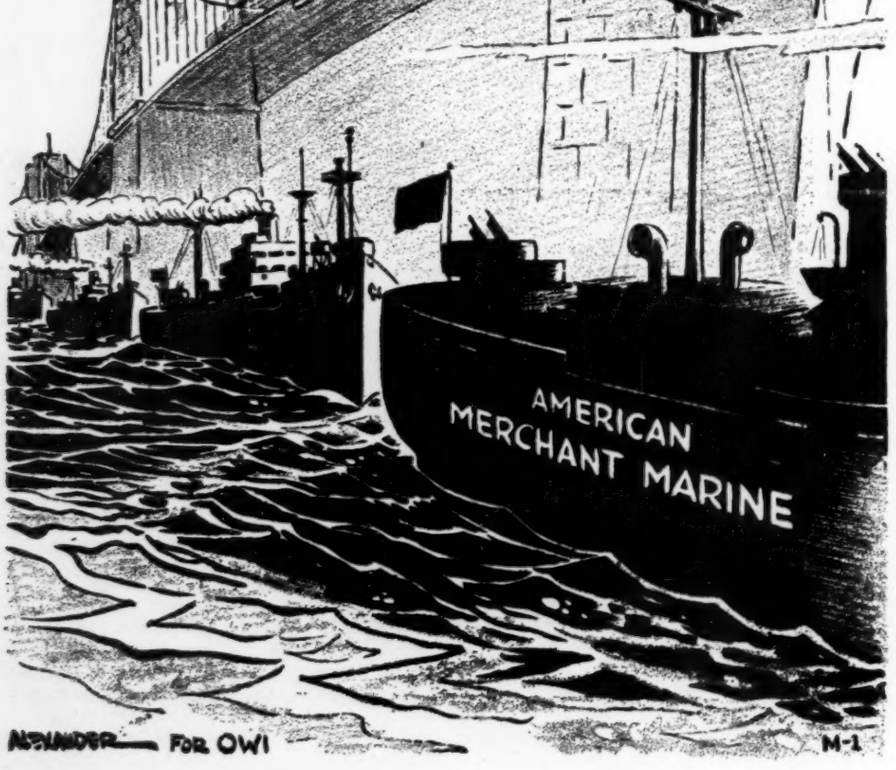
Shipping service from the principal ports of Mexico is being slowly improved. Regular schedules have not yet gone into effect, however, and present sailings are mostly of the tramp category.

Air service perhaps was least affected by weather conditions during the quarter. Only one serious mishap was reported as the result of the storms, and regular schedules were interrupted for only a day or two. In general, capacity traffic was being handled and new facilities to care for still greater passenger and express movement were planned.

Labor

Active strikes of more than casual importance characterized the beginning and end of the third quarter. The most important of these, the mining strike, was declared on June 8 and was under way through much of July. The strike of the Wells Fargo Co., which operates over the Southern Pacific Railway of Mexico, was declared effective by the Federal Labor Board on September 29, and the outlook was for a rather protracted disruption of the express service. In the petroleum industry a strike strongly threatened for June 24 was barely averted, and shortly thereafter substantial increases were granted the Pemex workers. The railway situation,

BRIDGE TO A VICTORIOUS PEACE



while not actively serious, was occasioning almost constant concern. Workers urged demands against the Mexican Railway and the Southern Pacific, and the National Railworkers Union agitated for wage increases and other benefits involving an amount of 30,000,000 pesos. Other labor agitation included the long-drawn-out strike of workers at La Trinidad textile mill, the strike started against the rayon and men's clothing accessories industry which was declared to be illegal, and a threatened strike of electrical plant workers in seven large States from Yucatan to Tamaulipas. In the last-mentioned case a stoppage of work was averted by the granting of wage increases averaging 22½ percent.

An important feature of labor troubles and strikes during 1944 has been the almost complete absence of physical violence or destruction of property. As soon as differences are settled, workers are able to go on directly with their tasks, without further interruption.

Employment conditions were generally favorable throughout the country, with plenty of jobs and even shortage of skilled labor in some areas. It is expected that with the return of thousands of laborers from their periods of farm and railroad service in the United States, there will be an abundance of ordinary day workers and adequate skilled labor available.

Agriculture

Weather conditions were generally favorable to growing crops during the months of July and August, but September was reported to be the "wettest" in 50 years. Apart from the plateau regions of Central Mexico, most of the agricultural sections of the Republic were adversely affected by the unusual rains. Some of the outstanding corn-producing and banana-raising States suffered serious damage from the floods and cyclones, but pastures in the north and northwest benefited from the breaking of the long drought in those regions.

Complying with the Government's decreed program for a 10 percent increase in corn planting over last year, farmers exceeded this figure and sowed approximately 4,181,726 hectares. From this increased acreage it was hoped to harvest some 2,944,000 metric tons of corn, but because of storm damage it may be necessary to import some corn next year to supply the domestic needs which run somewhat over 2,000,000 tons annually.

Earlier estimates of this year's wheat production, which were between 395,000 and 400,000 metric tons, still stand, since this grain is grown at higher altitudes and is less subject to flood damage.

In the cotton-growing areas of Mexico, picking was under way during the third quarter. Because of adverse weather conditions, estimates of the size of the crop were revised downward about 10 percent to a figure of 500,000 bales (of 230 kilograms each), or about the same as the 1943 crop.

Grinding of sugarcane was completed for most of the country by the middle of July. Final grinding figures are not yet available, but official estimates do not exceed 390,000 metric tons of sugar, and an over-all shortage of from 60,000 to 75,000 metric tons is expected. The cyclone of September is reported to have seriously damaged the new cane crop.

In Nayarit, the chief tobacco-producing State, a record harvest of about 14,200 metric tons was reported. Mexico's 1943–44 crop, harvesting and drying of which was completed in July, will amount to approximately 20,000 metric tons.

Present indications are that winter-vegetable plantings in the State of Sinaloa, which is the principal growing region, will be on a slightly smaller scale than last year, with 33,000 acres planted to tomatoes, as compared with 44,000 acres last year, and about 2,300 acres planted to peppers. Furthermore, the Yaqui, Guaymas, and Mayo Valleys, in Sonora, will see some 13,800 additional acres planted to tomatoes for the coming season, compared with only 10,000 acres set out last year.

Preliminary estimates of the coming garbanzo harvest indicate a crop of 68,750 metric tons for the entire Republic, compared with 74,600 tons produced last season. Owing to a reported shrinkage of profit margin, increased growing costs, and heavier export taxes, Sinaloa producers have shown an inclination this year to switch to other crops.

The past season was a reasonably successful one for banana growers, but difficulties of transport have prevented much expansion in the industry. No recent estimate of the next harvest has been made, but it is known that recent floods in Veracruz and Chiapas, as well as violent wind storms in Tabasco and Chiapas have damaged banana plantations to a serious degree in those areas.

Condition of the cattle ranges in the northern States of Mexico were generally poor during the July–September quarter. As a result, cattle were not in shape to attract American buyers, and exports were slack over this period. It is expected that the outward movement for the year will be well below the export total of 470,000 head shipped in 1943.

Fishing

The shortage of motor fuel for fishing boats restricted shark fishing on the Pacific coast during the second quarter of 1944. Catches were low as the season ended in June, and exports from Manzanillo between May 1 and July 31 amounted to only 12 tons of liver. Activity continued at a low ebb during August and September, with fishermen engaged chiefly in repairing and improving their equipment.

On the Atlantic side, around Matamoros, exports of edible fish to the United States began to show a severe decline in May. Whereas shipments had been moving at the rate of some 800,000 pounds monthly, May exports amounted to only 375,000 pounds, and in June were only 303,000 pounds. The downward trend continued in July and August.

Azerbaidzhan's Civil Aviation in Wartime

The civil air fleet in the Soviet Republic of Azerbaidzhan in the Caucasus has been operating double the length of lines and carrying 20 times as much freight as in the pre-war years, the Soviet press reports.

From other parts of the Union, transport planes of the Azerbaidzhan Republic regularly deliver to Baku, the capital, medicaments, plasma, oxygen tanks, physicians and specialists, as well as chemicals and materials for the war-vital oil industry.

All crude iodine produced in the factories of the Republic is sent to pharmaceutical and chemical enterprises in Moscow by plane. Fresh caviar from the fisheries at the mouth of the Kura River is carried to hospitals and consumers hundreds of kilometers distant from the source. Within the boundaries of the Republic, planes carry supplies to silkworm-breeding areas and also bring fish caught off the Caspian islands to the shore.

Approximately 40,000 acres of stagnant waters where malarial mosquitoes breed were sprayed from the air this year during the spring and fall months. A number of rice plantations and swampy areas were supplied by plane with more than 300,000 gambusia fish which eat mosquito larvae.

The civil air fleet, as part of its agricultural program this year, waged a successful campaign against locusts, and was reported in September to be engaged in exterminating insects throughout the Republic's cotton acreage. Several planes and crews were sent to the Ukraine to help combat field pests.

Tariffs and Trade Controls

Medicinals, Pharmaceutical Specialties, Toilet Preparations, Food Products, and Beverages; Former Registration Fees Restored.—Fees for the certification and registration in Mexico of patent medicines, pharmaceutical specialties, toilet and beauty preparations, and food products and beverages have been restored to former rates, under provisions of an Executive decree of August 25, published and effective November 28, 1944. The 5-year period for revision and reregistration of these products remains in force.

Under terms of this decree, the fee for the registration of foreign patent medicines, pharmaceutical specialties, and toilet and beauty preparations is 200 pesos each, and domestic, 20 pesos each; for food products and beverages of foreign manufacture, the fee is 50 pesos each, and of domestic, 20 pesos each. By virtue of the United States-Mexico Trade Agreement, which became effective January 30, 1943, United States products continue to be subject to fees at the rates applicable to Mexican products.

This decree cancels an Executive decree, effective August 11, 1944, which reduced registration fees to 20 pesos each on these products, whether of domestic or foreign manufacture.

[See FOREIGN COMMERCE WEEKLY of September 23, 1944, for previous announcement of reduction of registration fees.]

Panama

Transport and Communication

Steamship Services to Chile.—Steamship services between Panama and Chile were initiated recently by the Chilean *California*. It is expected that regular trips will be made.

Peru

Wartime Commodity Controls

New Regulations to Control Supply of Bonito for Domestic Consumption.—According to ministerial resolution No. 299 of November 22, 1944, fishing enterprises, the commercial transactions of which are consummated at the port of Callao, are required to supply fully the consumption requirements for bonito in the cities of Lima, Callao, and suburbs and may process the surpluses only when they are not needed for direct consumption as fresh fish. The municipalities will place the necessary orders for their total supply with the Office of the Fishery and Game Bureau functioning in Callao. There will be in each market a municipal stall to regulate the price of bonito and to avoid possible deficiencies in the orders placed by retail sellers, who may resupply themselves at these stalls whenever they prove that their stocks are exhausted. The new resolution makes no changes in the wholesale ceiling price of 5 soles per dozen for bonito and the retail price of 0.60 sol each.

Budget for Federal Railways.—The 1945 budget for the Federal railways of Switzerland shows an estimated sum of 37,400,000 Swiss francs for construction, states the European press. A sum of 163,200,000 Swiss francs is to be spent for the maintenance of rolling stock and rails and approximately 450,500,000 for general expenses.

Switzerland

Transport and Communication

Limited Mail Service Extended.—Effective December 15, 1944, the limited mail service from the United States to Switzerland, which was resumed for letters weighing not in excess of 1 ounce and post cards addressed for mailing to civilians by order No. 26449 of November 6, 1944, is extended to include letters and packages prepaid at the letter rate of postage up to a weight limit of 4 pounds 6 ounces, but not to include merchandise of any kind, by the Postmaster General's order No. 26752 of December 14, 1944, published in the United States Postal Bulletin of December 15.

At the same time, registration and special-delivery services at the usual international rates are resumed.

No merchandise of any kind may be included in letters or letter packages destined for delivery in Switzerland, which may contain only written communications and related papers which may be of a bulky nature.

The air-mail, money-order, and parcel-post services remain suspended.

[See FOREIGN COMMERCE WEEKLY of November 18, 1944, for a summary of order No. 26449 of November 6, 1944.]

Turkey

Economic Conditions

Economic conditions in Turkey during the third quarter of 1944 were less favorable than in the preceding quarter, chiefly because of the severance of commercial and diplomatic relations with Germany on August 3. Germany had been a major factor in Turkish foreign trade for some time, and the loss of this leading market and important source of imports had immediate repercussions in all branches of national economy.

In addition to a sharp decline in foreign trade, which fell to a record low level, there was a curtailment in general banking operations an dextreme caution in all commercial activity. A certain degree of speculative activity, particularly in gold, also developed as a result of European developments and the widely circulated rumors of possible devaluation of Turkish currency, although the latter was persistently denied in Government circles. Note circulation continued to expand. Most crop yields were normal, but uncertain marketing prospects had an adverse effect on prices, which had heretofore been artificially sustained at high levels by the compensation trade with Germany. Industrial activity held up relatively well, while new construction was limited chiefly to military projects. Restrictions were placed on the movement of Turkish vessels in the Black Sea and coastal service, further straining overburdened land transport facilities. The tendency toward Government ownership of public utilities continued.

FOREIGN TRADE DECLINES SHARPLY

The outstanding economic event of the period was the suspension on August 3 of commercial relations with Germany and the consequent decline of foreign trade to a critically low level. Even before the war the major portion of Turkish trade had been with Germany, Italy, and other States which subsequently came under Axis domination, but during the war the dependence on this trade was accentuated by the decline in commerce with other areas as a result of shipping difficulties. The complete cessation of trade with Germany climaxed a steady reduction which had begun early in June and declined to approximately 50 percent in July. Suspension of trade with Germany in August was accompanied by a cessation of imports from other Axis-dominated States, and it is also reported unofficially that large quantities of goods ordered from these countries, as well as shipments in transit from Switzerland, Sweden, and Finland, were stranded en route to Turkey. The exact extent of the decline in foreign trade cannot be determined, owing to the continued unavailability of official Turkish trade statistics.

The impact of the break with Germany had serious repercussions on Turkey's national economy. Although shipments of chrome to Germany had ceased prior to August, that country was still a major market for such leading Turkish export products as tobacco, fruits, fish, hazelnuts, cotton, oilseeds and oilcake, valonia, and other items. In return, Turkey was able to obtain varying quantities of a wide range of products, including cement, iron and steel, machinery and machine tools, hardware, electric goods, railway supplies and motor vehicles, pharmaceuticals, sheet glass, and paper and newsprint (from Sweden and Finland). The elimination of Germany as a factor in the foreign trade of Turkey not only will involve a drastic readjustment of the latter's commercial policy, necessitating new markets and fresh sources of supply, but will also have a depressing effect on the prices of many commodities, which had been artificially maintained at a very high level by the compensation agreement with Germany. (Although trade between Turkey and Axis countries was stopped by Turkey on August 3, 1944, this traffic would in any case have been interrupted shortly thereafter by Allied military progress in the Balkans.)

Trade between Turkey and the Allied nations, particularly the United Kingdom and United States, remained at a relatively low level. However, a substantial increase in demand for various products formerly obtained from Axis sources has recently been reported. At the same time, special efforts are being made to find substitute markets among the United Nations for Turkey's large supply

of export products with a view to alleviating a potentially difficult situation. In this connection, the Turkish Government has established an exchange premium of 40 percent on dollars received in payment for the purchase of Turkish export products destined for the United States.

Banking Operations Curtailed

Commercial banking transactions fell off sharply following the break in relations with Germany. Branches of German banks in Turkey and other banks handling Axis business were chiefly affected, although greater caution generally prevailed among all banks in view of the uncertainty over the immediate trade outlook.

Gold Prices Fluctuate Widely

An increase in speculative activity, particularly in gold and unofficial foreign-exchange operations, was reported during the quarter and was attributed chiefly to military developments in Europe and to widely circulated rumors that the Turkish currency might be devaluated. Government circles, however, denied that any change in the value of Turkish currency was proposed. During the early part of September gold prices reached the lowest level in a year, the Turkish gold pound being quoted at 33.25 Turkish paper pounds, but the price of gold subsequently increased, closing the quarter at 37.25 paper pounds. German diplomats in Turkey, prior to August 3, had carried on sizable transactions in gold and Swiss francs.

Notes in circulation continued to increase during the quarter, reaching 968,667,000 Turkish pounds on September 30, as compared with 741,000,000 Turkish pounds on the corresponding date of the past year and 896,160,503 on June 24, 1944.

Crop Yields Vary

Normal yields were indicated for most crops, despite damage in some areas from drought or late rains. The wheat yield was reported to be smaller than the past year's unusually large crop, but the outlook for barley, rye, oats, and corn was better. In order to build up its grain stocks, the Government continued the ban on grain exports.

The tobacco crop, on the basis of partial data, was expected to show a decline from 1943, as a result of unfavorable weather; in the important Izmir region estimates placed the yield at from 24,000 to 26,000 metric tons, a drop of 20 percent from the preceding year.

Satisfactory crops were forecast for raisins, figs, hazelnuts, olive oil, and cotton, but smaller yields were anticipated for sugar beets and valonia. Owing to the drought, the sugar-beet crop was expected to be about 20 percent below the large 1943 crop of 96,000 metric tons and shrinkage in the valonia crop to reach 50 percent, attributed chiefly to adverse weather and lack of interest on the part of the peasants. Less favorable yield prospects were indicated for sesame, canary seed, and millet.

The mohair and wool clips were both expected to be of average proportions, the former approximating 5,000 metric tons and the latter, 30,000 tons.

With the suspension of commercial relations with Germany in August, the Government was confronted with the critical problem of finding substitute markets for the surplus crops, a large proportion of which had previously moved to the German market at artificially high prices.

Industrial Activity Steady

Industrial activity was maintained at a relatively high level during the third quarter. The coming into operation of additional production facilities in chemicals, cotton textiles, and glass helped to offset reduced output in certain other branches, including paper and leather products. The paper industry was handicapped by a shortage of cellulose, normally imported from Finland and Scandinavian countries, and the output of the leather industry suffered from a scarcity of hides.

The important Karabuk iron and steel establishment kept production at a high level, and the cement industry reported increased output, although the latter was still inadequate for domestic needs, which have been stimulated by wartime construction. The opening of new plants and expansion of existing facilities boosted the production of beer, wine, and various alcoholic beverages during the quarter.

Increased coal production was reported and the trend of electric-power output remained upward.

Other developments during the quarter included the opening of a cellulose plant and another paper factory at Izmit, site of the other paper plant, and the beginning of sheet-glass production by the only glass factory in Turkey, which was previously devoted to the manufacture of glass containers.

Construction during the quarter was limited to projects of a military character and certain irrigation work; private activity remained at a standstill. The erection of several radio stations was authorized by the Government under date of September 15; approximately 5,500,000 Turkish pounds were approved for this program, which will be carried out in 1945 and 1946.

U. S. Department of Agriculture

Price Trend Lower

The general price level remained high during the quarter (though considerably lower than in 1943), but evidence of a declining trend, particularly in export products, was increasing as a result of the loss of the German market. The latest data are for March 1944, when the wholesale price index stood at 472.6 (1938=100), as compared with 472.5 at the close of 1943 and high for that year of 779.6 in April. Lower food prices were chiefly responsible for the decline in this price index; raw-materials and semi-manufactured-products component remained at the 1944 high level of 374, compared with a high in 1943 of 348.9 in August and a low of 292.8 in February.

Shipping Movements Limited

As a precautionary measure, restrictions were imposed on the movement of Turkish vessels in Black Sea service and coastwise traffic. This action placed an additional load on the overburdened railway facilities, as coastwise shipping constitutes an important part of Turkey's transport system.

Air service on the Ankara-Istanbul and Ankara-Izmir-Istanbul routes operated at capacity, but the volume of traffic was handicapped by limited equipment. This service is normally suspended in October for the winter months.

Local transport service in Ankara and Istanbul was improved somewhat during the quarter by the arrival of a few motorbusses from Switzerland and Germany and the conversion of several commercial truck chassis.

Municipalities Purchase Public Utilities

Additional evidence of the tendency toward public ownership of public utilities in Turkey was observed during the quarter. The Izmir municipality purchased the combined electric-power and streetcar system in Izmir, the transfer to take place in 1945, and a similar move was reported from Istanbul, where negotiations were under way for the purchase of the gas companies of Istanbul and Kadikoy.

Uruguay

Tariffs and Trade Controls

Fish and Fish Products: Increase of Import Duties Proposed.—An increase of 10 percent in the import duties on all types of fish and on fish byproducts imported into Uruguay is provided for in the text of a project of law to establish an Oceanographic and Fisheries Service, dated November 24, 1944, published in the Diario Oficial of December 1, 1944.

The increased revenue would be for the purpose of financing the activities of this new establishment. This new industry is to be further aided by being permitted to import machinery, ships, fishing nets, and all other necessary equipment free from the payment of customs duties and port charges, as well as from national and municipal taxes; exports of this industry are to receive similar privileges.

News by COMMODITIES

Chemicals

Canadian Output of Distillation Products

Canadian production of hardwood distillation products in 1943 was valued at $1,720,000, according to the Dominion Bureau of Statistics.

The output included 423,295 imperial gallons of refined methanol, 8,216,286 pounds of gray acetate of lime, and 29,515 tons of charcoal. Six plants were in operation.

Sales of Fertilizer Materials and Mixtures, Canada

Canadian sales of fertilizer materials and mixed fertilizers, including exports (except calcium cyanamide), amounted to 1,056,941 short tons in the year ended June 30, 1944, compared with 701,089 tons in the preceding 12 months, according to the Dominion Bureau of Statistics.

A total of 539,799 tons was sold for consumption in Canada in 1943–44, an increase over the preceding year when 489,861 tons were sold, and consisted of 79,100 tons of materials and 460,699 of mixtures.

Exports in 1943–44 included 34,679 tons of mixtures and 482,463 tons of materials, excluding calcium cyanamide. Exports of materials were 179 percent greater than in the preceding year, ammonium nitrate accounting principally for this increase.

A new feature of the report was the inclusion of statistics showing sales of special mixtures for tobacco, which amounted to 43,759 tons, and of mixtures containing oxides of boron and magnesium, which totaled 67 and 28,367 tons, respectively.

Insecticide Requirements, Canada

Annual requirements for insecticides in Canada total approximately 2,000 tons of lead arsenate, 1,800 tons of calcium arsenate, 600 tons of paris green, and 75 tons of nicotine sulfate, says a foreign chemical magazine. Imports of pyrethrum and rotenone amount to about 150 tons annually.

Coal-Tar Dyes Imported, El Salvador

El Salvador's imports of coal-tar dyes during the first 6 months of 1944 totaled 20,302 gross kilograms, valued at $41,786, principally from the United States.

Output of New Industries in Kenya

New industries established in Kenya by the East African Industrial Management Board produced 390 tons of caustic-soda solution, 169 tons of calcium carbonate, 195 tons of whitewash, and 40 tons of sodium arsenite during the first 6 months of 1944, the African press says. The equivalent of approximately 72,000 gallons of pyrethrum spray was also produced.

Production of National Chemicals, Ltd., India

National Chemicals, Ltd., of Masulipatam, India, is now producing potassium permanganate in fine crystals, B. P., and technical grades, says a foreign chemical magazine. The firm is also making a fine grade of sodium acetate for use by the textile industry.

Situation in Heavy Chemicals Trade, New Zealand

New Zealand importers and manufacturers in the heavy-chemicals trade have been hampered by wartime restrictions, both domestic and oversea.

Importation of many lines has been limited, and the war demand for raw materials for the manufacture of chemical products has resulted in a shortage of a number of heavy chemicals, particularly apparent in compounds of lead, copper, zinc, antimony, and aluminum.

A difficult situation has also existed in the pigments market.

Swedish Match Company Prepared To Resume Production

The Swedish Match Co. is prepared to resume full production for export when circumstances permit, says the Swedish press. Equipment and the necessary raw materials are said to be available and arrangements probably can be made more easily for shipping a commodity such as matches than for goods which require more space.

Certain difficulties are expected, however, during the transitional period.

How Russians Recondition Wrecked Rails

A special work train equipped as a mobile repair shop for the reconditioning of wrecked rails is reported by the Soviet press to be in use on the front-line railroads in the U. S. S. R.

The Diesel-electrically-powered train consists of a series of closed cars each equipped to handle one stage on the restoration process, and two flat cars at each end.

A crane, mounted on the front flat car, picks up the wrecked pieces of rail and starts them moving along the conveyor which runs through the entire train. In the first car, a circular saw removes the damaged ends of the rail; in the next car, it is cleared and trimmed, then sent along with another piece of rail to be joined together. An automatic welding machine, operated by one man, in the adjoining car, welds the two pieces and sends the rail to other cars where the joint is trimmed, the rail cut to standard size, bolt-holes drilled, and the finished products tested. From the rear flat car the rails are returned to the first car to be relaid.

Manufacture of Calcium Arsenate, Peru

Possibilities exist in Peru for increased manufacture of calcium arsenate for use as an insecticide, of which approximately 2,000 metric tons are required annually by cotton growers. Potential markets for calcium arsenate also are found in neighboring countries.

Output of Swiss Alcohol Plant

The alcohol plant which began production in 1942 at Ems, Canton Graubunden, Switzerland, now has a monthly output of 500,000 liters of industrial alcohol and 500,000 kilograms of methanol. Since February 1944 the plant has employed 600 workers.

Demand for Bones in Industry, Switzerland

Swiss factories producing industrial fats, glue, and fertilizers continue to demand large quantities of bones. In prewar years, more than 10,000 metric tons of bones were imported annually from France, French Morocco, South American countries and India. Local collection of bones since the war has amounted to about 11,000 tons annually.

A chemical plant in Wolhusen has developed a process for the extraction of calcium and phosphate from bones and is marketing a product called Vitossan, which is used in animal and poultry feeding.

Situation in Chemical Industry, U. K.

Export figures for the United Kingdom chemical industry in 1944 are expected to be at least as favorable as those for 1942 and 1943, says the British press. Although exporters faced difficulties, the situation showed definite improvement in the third quarter.

Bichromates, yellow prussiates, solvents, and plasticizers remain in tight supply. Potash compounds—industrial and fertilizer—have been sufficient to meet essential needs. The glycerin supply situation has improved, and this material is available for most purposes.

Lime Production (Scotland), U. K.

Lime production for agricultural purposes has more than tripled in Scotland during the past 3 years. Output for the years ended June 1942, 1943, and 1944 amounted to 110,000, 290,000, and 365,000 tons, respectively.

Leather Polishes Exported, U. K.

Exports of British-made leather polishes amounted to 23,178 hundredweight in 1943, a substantial drop from the 1942 figure of 41,170 hundredweight, a British chemical publication reports. In 1938,

the last pre-war year, exports amounted to 45,739 hundredweight.

Shipments of other polishes totaled 31,862 hundredweigt in 1943, compared with 40,127 in 1942 and 71,237 in 1938.

Developments in Chemical Industry, U. S. S. R.

Sulfuric acid needs of the Soviet oil refineries at Baku will be met to a greater extent by domestic production as the result of the discovery of pyrite deposits in the Little Caucasus, says the Russian press.

A plant has commenced operations at the large arsenic deposits recently discovered in Azerbaidzhan.

Construction

Paper Mill in Montreal, Canada

Contractors have begun work on a $365,000 paper mill at Montreal, Canada, reports a Dominion lumber journal. The buildings will cost $120,000, about one-third the cost of the entire project. Roofing felt and sheathing papers used in the building trades will be manufactured by the mill.

Housing Project, Cuba

A Cuban decree of October 24, 1944, provides for the construction, repair, and distribution of low-cost housing for workers who derive their incomes exclusively from their work and are registered as heads of families.

Workers awarded houses will be required to pay, within a period of 30 days, a guaranty deposit of $6.24 and a monthly payment, for a period of 20 years, of $3.12. The average cost of a house is $600. The Government will hold title to the house until all payments are made and the funds collected will be retained in the Treasury. A worker's failure to pay two succeeding monthly installments will be considered proper cause for eviction.

New School Building, Panama

Construction of a modern public-school building, to cost $147,500, at Sona in the interior of Panama will begin soon, states the Panamanian press. Building plans provide for large, well-ventilated class rooms, a gymnasium, facilities for domestic-science instruction, workshops for manual arts, open galleries for fresh-air classes, and a garden. The school will open for classes about the second semester of 1945.

Electrical Machinery and Equipment

Supply of Electricity, Liberia

A generating plant recently installed in Monrovia, Liberia, supplies 994 consumers with electricity. A 375-horsepower Diesel engine supplies 115–120 volts, 60 cycles, alternating, and, for machinery, 220–240 volts, 60 cycles, alternating. The plant is government owned and operated on a 19½-hour schedule; a 24-hour schedule is planned when a regular supply of fuel oil is guaranteed.

A small government-owend plant furnishes electric current for Kakata, a township of about 5,000 inhabitants, 45 miles from Monrovia.

Hydroelectric Stations Being Built, U. S. S. R.

Completion of the first hydroelectric station along the route of the 49.2-kilometer Nevinnomyssk irrigation and power canal, which is under construction on the Kuban River in the North Caucasus, is reported by the Soviet press. Four more stations are to be erected.

The canal will divert 6,500,000 cubic meters of water daily from the Kuban into the Yegorlik River, to irrigate 50,000 acres of the black-soil belt in the Stavropol area.

Foodstuffs and Allied Products

Coffee

Exports From Haiti

Coffee exports from Haiti during the period October 1943 to June 1944 totaled 17,856 metric tons, compared with 23,384 tons during the corresponding period of 1942–43, stated the foreign press. Under the Inter-American Coffee Quota Agreement, 15,432 metric tons were exported to the United States in the first 9 months of the 1943–44 coffee quota year. Other countries of destination were: Canada, 1,820 metric tons; Switzerland, 500 tons; and Curacao, Netherlands West Indies, 104 tons.

Coffee Production, Panama

The production of coffee in Panama is concentrated in the more temperate mountainous zones. The most important is Boquete, Chiriqui Province, with an estimated annual production of 20,000 quintals. Total production for the country is estimated at 30,000 quintals.

The cost of coffee production in Panama is high, the minimum being from $15 to $20 per quintal. In normal years national production is equal to demand, but a poor crop made it necessary to import 13,000 quintals in 1944.

Coffee Quota From Venezuela

The deficit of the inter-American coffee quota from Venezuela for the United States in the year ended September 30, 1944, amounted to 218,615 bags of 60 kilograms each, according to the Ministry of Agriculture.

With the 1944–45 coffee crop placed at about 950,000 bags and the exportable surplus at 700,000 bags, it is expected that this year's quota will be filled with a good margin unless resumption of shipments to Europe should be initiated on a larger scale.

Fruits and Nuts

Citrus-Fruit Crop, Argentina

Argentina's crop of citrus fruit in the 1943–44 season is officially estimated at 383,663 tons of oranges, 126,554 tons of mandarins, 61,770 tons of lemons, and 6,190 tons of pomelos, stated the foreign press.

Coconut Exports From Honduras

Exports of coconuts from Honduras increased 56 percent during the third quarter of 1944, as compared with the preceding quarter, or from 2,470,879 nuts to 3,866,801 nuts.

Panamanian Coconut Industry

The Panamanian coconut industry centers in the San Blas area. Approximately 200,000 coconut trees, with an annual yield of 14,000,000 nuts, grow in that region.

Prior to World War II the Indians sold a high percentage of these coconuts to commission agents for export. In 1941, however, because of shortages of fats and oils especially for soap, the Government prohibited the export of coconuts. This ban is still in force.

Marketing of Raisins and Figs, Turkey

The marketing of raisins and figs, two of Turkey's principal agricultural export crops, is a matter of great concern both to the Turkish Government and the growers. Germany formerly was an important buyer and responsible for establishing the high prices which prevailed for several years. During the third quarter of 1944 neither the United Kingdom nor the United States entered the market. Some small shipments went to nearby countries.

The sultana raisin crop from the Izmir area, the principal supplying district, was estimated between 45,000 and 48,000 metric tons, which is a normal quantity, and the quality was reported good.

The fig crop also was reported to be normal (about 33,000 metric tons) and the quality good.

Turkey's Hazelnut Crop and Oil

Turkey's 1944 hazelnut crop was reported to be good. The Istanbul Cham-

Mexico Has Fifty-five Different Kinds of Beans

[As reported in Planificación Económica, the publication of the Secretaría General de la Comisión de Coordinación Económica Nacional.]

Most of the beans which we know and enjoy are indigenous to the New World and were known and cultivated by the early Americans in Mexico and in Peru long before the first white man came to these shores. Mexico is especially fortunate in having many varieties of this protein-rich member of the family of leguminous plants. How many varieties there were was not known till the Mexican Institute of Nutrition recently made a nation-wide survey and reported that Mexico had at least 55 different kinds of beans.

Further studies, which are now being made of the legumes found in restricted or limited areas, may add many more varieties to this list.

Those varieties richest in protein are the "grand gris" of Campeche with over 30 percent protein, the "akbul" of Yucatan, and the "bayo chico" of Michoacan.

Within the next group of medium richness are found the "negro chico" of Puebla, the "espelon" of Yucatan, the "blanco chico" of Oaxaca, and the "canario" of Michoacan.

Next in the scale would come the "palacio" of Aguascalientes, the "coconos," the "bayo gordo" and the "rosito" of Sonora and the "negro" of Queretaro and of Hidalgo.

The group with less than 20 percent protein includes the "ayocote negro" of Puebla and the "garrapato" of Tulancingo.

A plant scheduled for wider distribution is the bush bean of Michoacan called the "chicharo de arbol"; it has a high protein content, bears throughout the rainy season, and, under favorable conditions, will bear throughout the year. The "combas" is a climbing bean which is an annual and comes up of itself each year.

The "guaje" of Morelos is said to be even richer in protein than the soybean and contains valuable vitamins and minerals as well.

The "granos parota," in its green state, has also been found to contain more protein than soybeans—a protein of excellent quality.

The plant hunters of Mexico's Institute of Nutrition point out that these are only preliminary findings and that further study may reveal beans and peas of exceptional qualities which have not previously been generally known.

The pre-Colombian civilizations of Mexico and Central America were based on a corn-and-bean economy, with peppers of many varieties, squashes, and pumpkins. The white potato, which originated in Peru, was not known in Mexico or in Central America at that time.

ber of Commerce and Cereal Exchange estimated it at 61,120,000 kilograms. The sale of hazelnut oil increased during the third quarter of 1944, when olive-oil prices reached high levels.

Grains and Products

Wheat and Corn Crops, Kenya

The 1944–45 wheat crop in Kenya was benefited by rain in almost all areas during July, and toward the end of the third quarter favorable reports on later plantings were received. Harvesting of the 1943–44 crop began in September. The official estimate at the end of the month was 697,000 bags of 200 pounds each.

Deliveries of the 1943–44 European corn crop were higher than anticipated, and the estimate was revised from 365,000 bags (200 pounds each) at the beginning of July to 402,000 bags at the end of September.

Mexican Corn and Rice Crops

As the harvesting of the fall corn crop proceeded in Mexico, estimates placed the total production at 2,200,000 metric tons with a possible surplus of some 200,000 tons over domestic consumption. None of this surplus, however, was expected to leave the country.

Rice production was placed between 94,000 and 110,000 metric tons, compared with 116,000 tons for the preceding season. No shortage was anticipated. Production of 50,000 metric tons of rice was forecast for the State of Sonora where 28,000 hectares were under cultivation and harvesting began in November. In the preceding season 42,743 metric tons were produced from 25,800 hectares.

Wheat Crop in Tanganyika Territory

In the Arusha area of Tanqanyika Territory yields of the 1944 wheat crop were said to be disappointing in the Northern Province Wheat Scheme, averaging from three to four bags per acre. The crop was estimated at 115,000 bags, of which 40,000 will come from the Wheat Scheme, 65,000 from other European sources, and 10,000 from natives. A severe attack of rust was reported in the Mbulu area.

Grain Output in Turkey

The total production of wheat in Turkey during 1944 was estimated by the Minister of Agriculture as 4,500,000 tons, compared with approximately 4,000,000 tons in 1943. Barley, rye, oat, corn, and wild-oat crops were expected to be better than in 1943.

Deliveries of Corn in Uganda

Deliveries of corn in Uganda by September totaled 261,000 bags. Because of overcrowded storage facilities the Government suspended buying on September 12 for a period of 1 month. The rate of delivery was almost four times that of last year when only 72,000 bags were delivered by the end of September.

Grain Production, U. S. S. R.

In 1944, the first year of work on liberated soil in Soviet Russia, the sown area on collective farms was 65 percent as large as that before the war. The total area under grain crops was 73 percent of the pre-war level, according to the Soviet press. The collective farms of Turkmenistan increased the area sown in grain on nonirrigated and irrigated land by 50 percent in comparison with 1940.

In 1944 the Kuban will deliver to the State almost three times as much grain as in 1943. As a whole, Krasnodar Krai has fulfilled 80 percent of its grain delivery plan.

Sugars and Products

Cuban Sugar Crop

Cuba's 1945 sugar crop is unofficially estimated at 5,000,000 short tons of raw sugar, about 10 percent less than the 1944 crop.

Acreage of cane available for the 1945 crop is estimated at 2,600,000, of which possibly 2,500,000 may be harvested. The estimated 1944 area was 2,500,000 acres; approximately 2,400,000 were harvested.

Yields of cane in 1945 probably will be lower than the average in recent years because practically all the then available cane was cut in 1944. Very little old, high-yielding cane of more than 1 year's growth, therefore, will be available for harvesting in the 1945 crop. During the 5 years 1938–42 the average cane yield was 17.2 short tons per acre; the yield of the 1944 crop is estimated at 18.5 tons. For 1945, a yield approximating 8 percent below the average, or about 15.8 tons per acre, is anticipated.

Sugar Industry, Panama

Panama has six sugar mills which produced 97,296 quintals in 1943 and 80,411 in 1942. (1 Spanish quintal=101.43 pounds.) Most of the cane ground in these mills is produced by the mill owners. In addition, a large number of farmers have their own cane patches. Sugarcane plantations numbered 10,000 in 1942 and comprised 23,039 acres; annual production in sirup was 6,692,000 pounds and in crude sugar, 2,238,500 pounds, according to the Department of Statistics.

Some refined sugar is imported into Panama, principally for the use of soft-drink manufacturers and to supplement domestic production. In 1944 imports of refined sugar were estimated at 13,248 quintals, as against 57,590 quintals in 1943 and 82,505 quintals in 1942.

Beet-Sugar Industry, Turkey

Production of beet sugar in Turkey has developed during recent years to the extent that the country is practically self-sufficient.

The four sugar factories which are served by Turkey's 43 beet areas started

their 1944 season in October and were to continue on a 24-hour schedule for about 3 months, or until 70,000 to 75,000 tons of sugar were made. Although the 1944 output will be less than the 96,000 tons produced in 1943, the carry-over from 1943 will be sufficient to meet domestic demand, which has been reduced by the high cost of sugar to the consumer. A backlog of 100,000 tons of sugar, or more than a year's requirements at the present rate of consumption, is expected to be established by the end of the present season.

Furs

Exports From Iceland

Exports of fur skins from Iceland numbered only 3,700 in the first 8 months of 1944, compared with 15,600 in the corresponding period of 1943. These were valued at 586,000 kronur Icelandic crowns and 1,165,000 kronur, respectively. (1 kronur = approximately 15½ cents U. S. currency.)

Expansion in Sweden's Fur Industry

Sweden's fur industry has advanced rapidly since the beginning of the war and now is preparing and dyeing many varieties of fur which formerly were imported. The industry also is performing the various types of fur work; that is, tanning, dyeing, and designing of models. After the war Sweden may export pelts to countries from which it formerly imported.

Iron and Steel

Production, Spain

Spain's output of iron ore during the first quarter of 1944 amounted to 412,792 tons, compared with 387,891 tons during the corresponding period of 1943, states the foreign press. Steel production for the first 5 months of 1944 totaled 288,776 tons, compared with 275,815 tons during the first 5 months of the preceding year.

Swedish Pig-Iron Situation

In view of the increasing importance of pig iron as a primary source of iron and steel production in Sweden, a great deal of attention is being given to increased economy and efficiency in operations. The blast-furnace capacity of Sweden is reported to be ample and not fully utilized.

Production, imports, exports, and consumption of pig iron for the past several years are shown in the following table:

[In metric tons]

Year	Production	Imports	Exports	Total consumption
1935	560,835	99,631	64,768	595,698
1937	636,606	190,115	89,864	736,857
1939	632,819	196,412	118,412	711,255
1941	714,382	[1]	[1]	[1]
1942	738,108	70,000	[1]	[1]
1943	780,000	64,000	25,000	765,000

[1] No record.

Leather and Related Products

Trade in Tanning Materials, Argentina

Exports of quebracho extract from Argentina in the first 10 months of 1944 totaled 135,926 metric tons, of which 28,345 metric tons were of Paraguayan origin shipped in transit through Argentina. During the corresponding period of 1943 shipments totaled 163,980 metric tons, of which 39,809 were of Paraguayan origin.

Domestic consumption of the extract amounted to 1,983 metric tons during October, an increase of 237 metric tons over the preceding month. Argentine consumption for the 10-month period under review totaled 19,103 metric tons.

Argentine exports of urunday extract totaled 300 metric tons during October, and shipments for the January-October 1944 period amounted to 1,445 metric tons.

Brazil's Leather Industry

Brazil's leather industry has been expanding since the war and now more than 200 tanneries are operating at maximum capacity. The quantity of leather produced has increased, the quality has improved, and more varieties are available. Superior grades of raw hides and skins, which formerly were exported to United States and Europe, have become available to domestic tanneries. The finer quality and greater diversity in leathers is attributed also to a small influx of refugee technicians in this trade.

Brazilians recently have developed leather from a large Amazon River fish called peixe-boi. Because the skin possesses a special affinity for coloring matter, the leather can be produced in various tints.

Shoe production amounted to 43,500,000 pairs in 1943, an increase of 1,500,000 pairs above the preceding year. The industry consumed 34,500 tons of sole leather and 91,900,000 square feet of upper leather and skins, including splits. Estimates place the output of sole leather by tanneries at 40,000 tons, and of upper and lining leathers from bovine hides at 32,900,000 square feet.

Since 1941 there has been an increased foreign interest in Brazilian leathers, particularly sole and side leathers for military use. Exports of leathers totaled 10,884 tons in 1943, which exceeded the 1942 shipments by 4,708 tons. Some domestic consumers claim that the present high prices asked for leathers are the result of augmented export demand.

Exports of Hides and Leather, Canada

Exports of Canadian raw hides for the 10-month period ended October 1944 were valued at $503,000 (Canadian currency), states a Dominion publication. The value of unmanufactured leather totaled $2,448,000, and manufactured leather, $3,009,000. In the corresponding months of the preceding year exports of raw hides were valued at $496,000; unmanufactured leather, $3,006,000; and manufactured leather, $1,896,000.

Developments in Shoe Industry, Colombia

Colombia's factory production of women's shoes in 1942, the latest year for which data are available, was estimated at 300,704 pairs, valued at 1,225,674 pesos (approximately $698,634), representing approximately 30 percent of the total value of shoe output. This does not include the hand-made shoes produced in Colombia—which are estimated to be about 40 percent of the total—or the sizable quantity of sandals known as alpargatas which are worn by about half of Colombia's population.

With the development of the domestic shoe industry, imports have decreased. In 1943 Colombia imported shoes valued at 43,441 pesos ($24,761), women's and girls' types comprising an amount valued at 29,632 pesos ($16,890).

Peruvian Output of Hides and Skins

Production of hides and skins in Peru during the first 10 months of 1944 was estimated at 222,924 cattle hides, 560,000 goatskins and kidskins, and 990,000 sheepskins. Approximate output for October totaled 24,787 cattle hides, 60,000 goatskins and kidskins, and 90,000 sheepskins.

Foreign Trade, Dominican Republic

Footwear imports of the Dominican Republic for the 5-month period ended

Britain's Food-Container Standards

The standardization of food containers has been the object of much attention by the British Standards Institution both before and during the war, reports the foreign press. The elimination (wherever possible) of deceptive container sizes and of "nominal" weights of contents are among the objectives of the Institution. Certain minimum standards of composition have been imposed by war conditions, although the raw-material supply position has necessitated that these standards be "on the low side."

The need for a drained-weight minimum standard for canned fruit is one example of the points stressed by the Postwar Plans Commitee of the National Federation of Grocers' and Provision Dealers' Associations of the United Kingdom, which has just been published. It is pointed out that there should be no return to the practice of selling standard-sized containers with subnormal contents or using containers with deceptive appearance.

The report points out that the war has proved that jam can be packed and sold by definite weights of 1 pound and multiples of 1 pound by all manufacturers, and that nominal 1s, 2s, and 3s cans can be dispensed with.

Industrial Diamonds: There'll Be Enough in 1945

An adequate supply of industrial diamonds is assured for essential American uses during the first half of 1945 through an accord reached with the British Ministry of Supply, S. W. Hofman, Chief of the Diamond Section of the Miscellaneous Minerals Division of the War Production Board, told members of the Industrial Diamond Industry Advisory Committee at a recent meeting.

Mr. Hofman, recently returned from London, said that the supply of industrial diamonds available during the first 6 months of 1945 for American use would be in amounts comparable to the 1944 rate. He emphasized that the purpose of his recent trip was solely to make arrangements for a continuity of supply, as and when needed. Industrial diamonds are used principally on grinding wheels to shape precision tools.

While supply and demand were in some degree of balance, the WPB spokesman said, industrial diamond users were advised to confine their purchases where possible to the broad requirements for the jobs to be done rather than to critical specifications of type, size, and shape when not essential.

Hofman disclosed that on certain types of rough industrial diamonds not as plentiful as others the British Ministry of Supply indicated that it would explore the possibility of increasing the supply or developing new methods of separation at the mines and from other assortments. However, the Ministry could not promise definite results, he said.

American industrial-diamond needs would be reviewed again in the middle of 1945 unless war developments prompted earlier action, he stated.

A National Bureau of Standards physicist also reported to the committee new methods that accelerated diamond polishing. While still in the experimental stage, it was disclosed that the new procedure not only effected considerable time savings but also made possible polishing against the grain, which previously had not been feasible.

May 1944 totaled 1,959 kilograms, valued at $13,692. Leather imports amounted to 36,139 kilograms, valued at $60,635.

Exports of leather and related products from the Republic for the first 9 months of 1944 were as follows:

Product	Weight	Value
	Kilograms	*Dollars*
Divi divi	1,111,233	45,842
Goatskins	41,583	21,735
Other hides and skins	110	56
Prepared hides and skins	4,036	15,210
Sole leather	67,713	60,350
Leather belts	257	2,800
Leather ends	9,000	410
Men's shoes	114,494	340,581
Women's shoes	243	800
Slippers and sandals	3,956	7,488
Handbags	1,672	1,672
Bags and valises	2,142	2,053
Saddlery	145	192

Foreign Trade, Peru

In 1943 Peru imported hides, skins, leather, and manufactures valued at 5,830,000 soles, a considerable increase when compared with 1942 imports valued at 2,882,000 soles. Exports of goatskins weighed 441 metric tons, valued at 806,000 soles, compared with 390 metric tons, valued at 701,000 soles.

Imports of Footwear into Reunion

Footwear imports into Reunion for the third quarter of 1944 totaled 2,652 kilograms, valued at 1,041,572 francs. Of this amount, 2,466 kilograms were imported from South Africa and 186 kilograms from Madagascar.

Output of Shoe Factories, U. S. S. R.

Soviet Russia's shoe factories more than fulfilled their September production requirements; one in Minsk far exceeded its planned output, according to the Russian press. Production of a shoe factory in Leningrad totaled 126,345 pairs during September, which was 16,000 pairs in excess of its quota. Recently two other leather and shoe factories have been restored and are now in operation.

Lumber and Products

Brazilian Forestry Service Reorganized

To encourage forest preservation and the planting of wood lots, the Brazilian Ministry of Agriculture has reorganized the Forestry Service. The latter will have as its chief purpose the promotion, maintenance, protection, and improvement of Brazil's forests.

A greatly accelerated rate of felling in the past few years, to provide fuel for the railroads and charcoal for operating automobiles, has made serious inroads on the country's forests. There is also a shortage of cabinet and construction woods, particularly near large population centers.

Imports, Trinidad, B. W. I.

A substantial market has been established in Trinidad, British West Indies, for southern yellow pine from the United States, says the foreign press.

Imports of this lumber, undressed, amounted to $446,171 (British West Indian currency) in 1943, compared with $339,502 in 1942. Incoming shipments of southern yellow pine, dressed, increased to $679,644 from the 1942 total of $643,840.

Imports, New Zealand

New Zealand's imports of Douglas fir during the first 6 months of 1944 amounted to 1,627,421 board feet, valued at £NZ26,588. Comparable figures for 1943 are 1,748,088 and £NZ24,616, respectively.

Imports of redwood increased substantially during the first half of 1944, amounting to 1,205,123 feet, valued at £NZ35,166, whereas in the period January to June 1943 they totaled 232,279 feet, valued at £NZ7,931.

Forest Production, Quebec, Canada

Forest production in Quebec, Canada, could be trebled to obtain an annual revenue of $1,000,000 without impairing the permanency of these resources, reports the provincial Forestry Association. Consideration is being given to problems of forest administration to promote advantageous post-war development in this field.

The forests of Quebec are annually supplying 800,000,000 cubic feet of wood, valued at $300,000,000, for industrial purposes.

Sawmilling, Colombia

Colombia has approximately 90 sawmills, the total capital of which is more than 3,000,000 pesos. The largest has a capital of about 1,000,000 pesos ($570,000), whereas the next largest is less than half that size.

Exports from Sweden

Sweden's exports of forest products during the period January to August 1944 were valued at 220,700,000 crowns, a foreign lumber journal reports. This is a reduction of almost 25 percent from the total of 295,000,000 for the corresponding period of 1943.

Portable Sawmills, South Africa

A number of the new sawmills established in the Union of South Africa because of the wartime shortage of lumber are of the portable type and are moved according to the location of the timber to be cut, says the foreign press.

Many mills are specializing in the production of fruit boxes and other containers and are using large quantities of wood formerly employed for fuel purposes.

Machinery, Other Than Electrical

Tractor Imports, Australia

Agricultural tractors imported into Australia in 1944 are expected to total 7,369, says the British press. The number for 1945 is estimated at 4,000.

Farm-Machinery Market, Panama

The progress of mechanical farming in Panama has been slow as a result of the inability of farmers to purchase tractors, threshers, and other mechinery.

Financial assistance in the purchase of farm machinery is given now by the Ministry of Agriculture and Commerce, and an educational program has been initiated to show the advantages of mechanical farming. There is no domestic production of farm equipment in Panama.

It is the belief of the Ministry of Agriculture and Commerce that Panama is a possible future market for tractors, threshing machines, Diesel engines, grain hullers, and dairying machinery. The flat lands where rice, corn, and cane

are grown lend themselves to tractor cultivation.

Exports From U. K.

Commenting on decreased exports of chemical and allied plants from the United Kingdom, the British press states that exports of centrifugal drying machinery decreased from 2,305 tons (£209,462) in 1938 to some 97 tons (£33,720) in 1943. For sugar making and refining machinery (other than centrifugals) the decrease was from 8,363 tons (£566,225) to 2,292 tons (£212,684).

Exports of pumps amounted to 8,229 tons (£1,561,261) in 1938 and 3,261 tons (£716,247) in 1943 and Furnace plant, air, and gas compressors show the same trend. Gas and chemical machinery, such as autoclaves, reaction vessels, filter presses, stills, and vacuum dryers exported in 1938 totaled 4,165 tons (£328,673) and 1,401 tons (£202,551) in 1943.

Medicinals and Crude Drugs

Senega-Root Production, Canada

Annual production of senega root in Canada has declined in the past few years from a norm of between 300,000 and 400,000 pounds to between 100,000 and 150,000 pounds.

Senega root, also known as Seneca snakeroot contains an active principle, saponin, which is used chiefly as a stimulating expectorant in chronic bronchitis. It is used also as a diuretic in renal dropsy.

Since the United States is the only market which has been freely available during the course of the war, total demand has fallen off recently, but to a great extent this has balanced the restricted production. Canadian domestic consumption of senega root is insignificant.

Great Britain also is an important purchaser of this root. British imports were entirely suspended from early in 1942 until August 1944, except for one small shipment made in February 1944. Recent shipments have been unusually heavy. In the 5-year period 1935 to 1939, the United States and Great Britain each took about one-third of total Canadian senega-root exports; Germany, Japan, and Italy were the three next important consuming nations, respectively, and Denmark, France, and Australia, took limited amounts.

At least one Winnipeg dealer is carrying sizeable stocks to meet the anticipated requirements of areas unable to obtain supplies in the past few years. One inquiry already has been reported from Paris.

Metals and Minerals

Gold Output, Quebec, Canada

Output of gold from Quebec, Canada, in the period January to September 1944 has been officially reported at 569,361 ounces valued at $21,920,399 (Canadian currency). Of this total, 397,314 ounces ($15,296,590) represented production of gold mines and 172,047 ounces ($6,623,809) came from base-metal mines.

Metal Imports Into Reunion

Copper imports into Reunion in the third quarter of 1944 totaled 4,990 kilograms, valued at 220,813 francs, and imports of other metals amounted to 98,329 kilograms, valued at 1,400,174 francs, according to official statistics.

Metal manufactures imported in the period July to September 1944 are reported at 30,817 kilograms, valued at 1,370,978 francs.

Mica Production, Sweden

Sweden's mica requirements can be furnished by the northern part of the Province of Jamtland, states the foreign press.

Most of the mica needed during the war has been furnished by a privately owned mine in Frostviken parish. The owner of this mine recently was granted concession to mine three additional prospects on Kronicken Mountain for quartz, mica, and feldspar. In the same parish, on the mountain of Avarde, another concession has been approved, and an additional promising discovery is reported near Bergafjall on the eastern border of Jamtland.

Gold Production, Venezuela

Gold production in Venezuela is reported at 611,579 grams (about 750 fine) in the second quarter of 1944, compared with 554,837 grams in the preceding quarter. The effect of the war is seen, however, in the sizable reduction in output from 1,315,821 grams in the period April to June 1940 to 1,035,618 grams in the comparable period of 1941, 988,099 grams in 1942 and 649,174 grams in 1943.

Motion Pictures and Equipment

Theaters Under Construction in Chile

Six motion-picture theaters are under construction in the Santiago consular district of Chile (all the provinces between the city of Santiago and the southernmost tip of the country). At present 111 theaters are operating in this area.

Motion-Picture Market, Iraq

Eighty percent of all motion pictures shown in Iraq today are of United States origin, and indications are that post-war demands for American films will be high. Existing competition in order of importance is represented by pictures produced in Egypt, Great Britain, India, and Soviet Russia.

The only real post-war competition is expected to be from Egyptian films, which have the advantage of having sound tracks in Arabic. If United States films are chosen carefully for the Iraqi market and subtitled in Arabic, they should maintain, without too much difficulty, their present favored position.

International Newsprint Situation: Canada's Role

The prospect of an increasingly tight newsprint supply situation in the first 6 months of 1945 was outlined to the members of the Newspaper Industry Advisory Committee by War Production Board officials at their recent meeting.

This situation has developed despite the fact that Canada has committed itself to deliver 200,000 tons of newsprint per month, the same rate that the Dominion delivered in 1944, WPB officials said. The shortage in the first half of 1945 will be caused by increased military demands for paper and requirements of the liberated areas of Europe, they indicated. WPB officials reported that stepped-up demands of the Army for ammunition also will affect the pulp and paper supply of American newsprint users.

A slightly better supply of newsprint after July 1, 1945, may be in prospect if winter weather conditions permit Canada to increase its deliveries to the United States by about 5 percent. This would allow an additional 10,000 tons of newsprint a month after July 1 for all purposes, but requirements for liberated areas for both pulp and paper would be added to the load which must be carried by the present United States supply. WPB officials expect, therefore, that by the second quarter of 1945, if not before, the situation may become so critical as to indicate a further cut in the amount of newsprint available for United States newspaper publishers.

The Commitee recommended that WPB request data from the Foreign Economic Administration as to the proposed uses for newsprint requested by the liberated countries, and also that allotments be made only after a careful screening of demands, by Government officials. WPB officials plan to do this.

The commitee members commended Canada for its outstanding performance in the production of newsprint under wartime conditions and its promise of continued shipments in the first half of 1945, with the possibility of some increase in the second half. Pointing out the dependence of certain northeastern United States newsprint mills on Canada for woods labor, the Commitee expressed hope that the United States Department of State would inform the Canadian Government of the need for additional Canadian labor in the woods in the United States so as to improve the over-all newsprint production.

There is no domestic production of films in Iraq, and observers believe that no such undertaking will be initiated in the near future.

Oils, Fats, and Oilseeds

Small-Scale Refining Planned by Bolivian Firm

A Bolivian firm recently has purchased and installed seed-pressing and oil-refining equipment in its La Paz plant at a cost of about 7,000,000 bolivianos. Although this plant will utilize imported linseed and sunflower seed, efforts are being made to stimulate domestic cultivation. Approximately 600 tons of sunflower seed are already on hand. The capacity of the plant is estimated at 100 metric tons of refined oil monthly (considerably in excess of current consumption), but the company is planning to begin production on a small scale.

Cottonseed Distribution, Brazil

By October 31, 1944, 875,799 sacks of cottonseed had been distributed to growers in Brazil, compared with 751,827 on the corresponding date last year. According to official statements, 90 percent of the seed already has been planted. Reports from producing areas indicate that growers are using a smaller quantity of seed per area than they did last year. Because of the dry weather in September and early October more cotton than usual had to be replanted. Agricultural officials believe that the total area planted will be about equal to that planted in 1943.

Lard Production, Canada

The wartime hog-production program in Canada has resulted in abnormally heavy lard output in the past few years.

Lard production average for the years 1935–39 and actual production from 1940 to 1943 are as follows:

Year	*Pounds*
1935–39 average	63,200,000
1940	82,600,000
1941	95,300,000
1942	106,400,000
1943	120,800,000

Hog slaughterings and the resulting production of lard in 1944 will exceed those of 1943.

Canada produces almost no vegetable-oil crops suitable for edible purposes; vegetable-oil shortenings and cooking oils are imported both in raw and processed form. In the period 1935 to 1939 the average annual per capita consumption of vegetable shortenings was 10.5 pounds. In pre-war years butter was also widely used for shortening and other cooking purposes.

During the war, imports of edible vegetable-oil materials have been sharply reduced and limitations have been placed on the manufacture of vegetable compounds. This shortage of vegetable oils and the rationing of butter has been reflected in an increase in the per capita lard consumption from a pre-war average of 3.9 pounds to 9.3 pounds in 1942 and 9.9 pounds in 1943.

Canada is believed to have sufficient plant capacity to process its entire requirements of lard substitutes. A large part of the crushing capacity is devoted to flaxseed processing, but more will become available for processing edible oils after the war.

Sesame and Peanut Plantings, Egypt

The final official estimate of plantings of sesame in Egypt in 1944 was 44,756 acres, compared with actual planting in 1943 of 31,152 acres. The area planted to peanuts in 1944 was estimated at 26,111 acres, compared with 25,532 acres in 1943.

Tung-Tree Plantings, Nyasaland

Expansion of tung-tree plantings in Nyasaland, which was checked by the outbreak of the war, was resumed in 1942 after the fall of Malaya and the cutting off of tung-oil supplies from the Far East. The area planted to tung trees on European estates has increased rapidly since 1933—2,068 acres being planted to this crop in 1938, compared with 65 in 1933. The largest estate in the Cholo district now has 1,500 acres in tung trees, most of which are 4 or 5 years old, and plans are to raise the acreage to 2,000 in the near future.

A factory at Cholo for the extraction of tung oil as well as coconut, peanut, and cottonseed oil is equipped with specially designed machinery from the United Kingdom. A building is under construction to house a drum-making machine, recently imported from Great Britain.

The Nyasaland Post-War Development Committee, composed of various official and unofficial members of the Legislative Council, has recently recommended that the Government should encourage the growing of tung trees by native inhabitants in the Northern Province. Since tung has generally been regarded as a side line, a very considerable increase in tung-oil production apparently is expected.

Paints and Pigments

Uruguay's Imports

Uruguay's imports of paints and varnishes decreased slightly in 1943 from the 1942 total, says the foreign press. Comparable figures are given as 229 and 246 short tons, respectively.

The United Kingdom was the principal supplier, with 156 tons—an increase of 61 tons over the 1942 figure. Imports of these products from the United States decreased to 69 tons in 1943, compared with 148 in 1942. Small amounts were furnished by Canada and Argentina.

Imports of pigments decreased from 619 tons in 1942 to 276 in 1943. These products are included among the commodities in short supply in the Uruguayan market during the war but for which a permanent and cumulative demand exists.

Paper and Related Products

Exports From Sweden

Safe-conduct ships transported 19,500 metric tons of newsprint and 11,500 tons of other kinds of paper from Sweden to oversea markets during the first quarter of 1944. Pulp shipments during the same period included 61,000 metric tons (dry weight) of sulphite, 16,000 tons (dry weight) of sulphate, and 1,000 tons (dry weight) of mechanical pulp.

Exports of pulp are said to have declined since March because of the military situation in Europe, but Swedish mills continued to operate at about the same level and have now accumulated approximately 600,000 metric tons of pulp for shipment at a later date.

Railway Equipment

Railway Equipment Plant Projected, Argentina

A manufacturing plant is to be constructed at Cordoba, Argentina, for the construction of heavy railway equipment, as well as axles and rims for locomotive wheels, says the foreign press. The estimated cost of this project, which has been approved by the Ferrocarriles del Estado, is 13,000,000 pesos. The plant is to be an annex to the workshops owned by the State Railway in Cordoba.

Construction of Locomotives and Coaches, Spain

In the Province of Vizcaya, Spain, 26 locomotives and 633 coaches were built in 1943, states the European press. At the close of that year 39 locomotives and 253 vehicles were under construction. In former years construction was as follows: 53 locomotives and 778 vehicles in 1942; 16 locomotives and 766 vehicles in

1941; 7 locomotives and 323 vehicles in 1940; and 11 locomotives and 17 vehicles in 1939.

Locomotive Construction, Sweden

Twelve electric locomotives of the "M" class were delivered recently to the Swedish State Railways, says the European press. Four Swedish engineering companies—the Motala Verkstad, Nydqvist & Holm (Trollhattan), the Svenska Jarnvagsverkstaderna (Falum), and A. S. E. A.—have been engaged on an order for 17 of these locomotives, the first of which was delivered early in the year.

The locomotives have been designed for use in hauling heavy trains up steep grades, rather than for high speed, although traveling time on several of the Norrland lines has been reduced as a result of the high power of the locomotives.

Post-war plans of the Swedish State Railways, according to the press, include fast electrically driven train sets of three or four carriages. These trains are to have an engine power each of 1,200 horsepower and a maximum speed of 80 miles per hour.

Developments in Switzerland

New designs of rolling stock are being introduced on some of the private railways in Switzerland, states the foreign press. Despite the war, those lines employing electric traction have introduced vehicles specially designed to combine speed with comfort and economy in power consumption.

New motor coaches on the Montreux-Oberland system are of all-metal construction capable of a maximum speed of 47 miles per hour.

Driving trailers have been provided for the Gruyere line; and the overhead construction has been changed from single to double suspension.

Rubber and Products

Natural-Rubber Deliveries, India

Deliveries of natural rubber to Indian authorities between April 1 and September 30, 1944, amounted to nearly 9,000 tons, states the Indian press. This quantity meets quota requirements and extends payment of bonus to cover amounts delivered through December.

The annual basic tonnage for India was fixed at 16,000 tons, divided into quarterly quotas varying between slightly less than 3,000 tons to more than 5,000 tons. Stocks on hand when the bonus scheme was started amounted to 2,363 tons.

Production in Panama

Within the past 2 years Panama has built up against almost insurmountable difficulties an output of rubber that is making an important contribution to the supplies available for the strategic use of the United Nations. Before actual production could begin, it was necessary to locate, through surveys, the best stands of wild rubber trees, establish buying and coagulating stations, train labor, and create transportation facilities in some of the world's most difficult jungle country.

Petroleum Industry, U. S. S. R.

The oil industry of the Soviet Union is increasing its output of crude petroleum, which is already the second largest in the world, Soviet press reports indicate. Daily output was higher in September than in August, the month's production plan having been fulfilled by the main trusts of the several oil combines.

In the Caucasus area, including Baku, which still accounts for the major share of the Soviet oil production and most of the country's output of high-priority products, September quotas were fulfilled by the Lenin, Molotov, Kaganovich, and the Ordzhonikidze trusts of the Azerbaidzhan Oil Combine. The Khadyzhensk Oil Trust's Kura-Tsetse oil field in Maikop has been restored to operation. This was the only important oil center under enemy occupation.

Much progress is being made in the "Second Baku" area, which, on account of its vast reserves, is destined to be of increasing importance in the Soviet oil industry. The Tuimaz Oil Trust of Bashkiria completed its third-quarter plan on September 26 and more than fulfilled its September quota. Likewise, production quotas were met by the Buguruslan Oil Trust and the Kuibyshev Oil Combine's Stavropol oil fields in that region.

In the Western Ukraine at the Drogobych and Borislavl oil fields, 70 wells have gone into production, and 1,000 tons of oil above plan were produced in September. Several refineries have been opened up in this section, it is said.

From the cold regions along the Pechora River comes news that the Ukhta Combine's second oil district in the Komi Autonomus Republic fulfilled its oil output plan ahead of time. Production costs were reduced by 6 rubles per barrel during the first 9 months of 1944, effecting a total saving in the area of 1,000,000 rubles.

In Kazakhstan, production of oil is spreading out from the old centers. Flush production has been brought in at Tentyak-Sore in the Baichunas deposits. The Kazakhstan Oil Combine met its production quota for the September period.

One new field has been opened up in the Fergana Valley of Uzbekistan with the bringing in and testing of three wells. An oil pipe line and a highway, which will serve as outlet facilities, are under construction.

While important oil deposits in the extreme western part of Turkmenistan were discovered more than 60 years ago, they were not worked, because of their remote locations and lack of transportation facilities. In 1940, however, it was decided to work these fields, and in 1943 the first section of a water pipe line was completed. Since production was begun, the trust in charge of operations has continuously fulfilled its plan for output. Drilling activities also are going forward on schedule.

Tire Manufacture, South Africa

Sixty different types of tires are being manufactured in South African plants utilizing rubber supplied by domestic sources, states the British press. A large percentage of production goes for war purposes, it is said.

Guayule Cultivation, U. S. S. R.

A factory for the processing of guayule rubber is scheduled for completion in Azerbaidzhan, the Soviet Union, by February 1, 1945, according to press reports. Farmers in this small southern Republic are being encouraged to grow guayule, and results indicate that soil and climate are particularly well suited for its cultivation. The yield of pure rubber per hectare is said to be nine times that from the more familiar kok-saghyz.

The rubber industry of the Soviet Union more than fulfilled its 9 months' production plan, and output in September was 12.7 percent higher than in August. Requirements for the Army were amply met, and particular success was registered in tire production and in the output of technical rubber and asbestos goods.

Textiles and Related Products

Textile Industry in Ceylon

Imports of cotton piece goods into Ceylon were about 22 percent lower in the first 9 months of 1944 than in the corresponding months of 1943.

Production and exports of coir fiber and yarn declined.

The introduction of sericulture into Ceylon has been investigated, and is considered to be entirely feasible. The only drawback might be a lack of trained workers, as sericulture would be an entirely new industry on the Island.

Peruvian Textile Imports and Exports

Imports of cotton goods into Peru in 1943 increased in value to 39,135,000 soles, from 22,148,000 soles in the preceding year. Brazil supplanted the United States as principal supplier. Silk and

rayon goods imports were valued at 9,651,000 soles in 1943, as compared with 6,561,000 soles in 1942. Shipments of hemp, linen, ramie, and jute goods received in 1943 dropped to a value of 10,953,000 soles, from 17,922,000 soles in 1942.

Among the principal exports were cotton, 35,690 metric tons (69,420,000 soles) in 1943, and 33,676 tons (52,867,000 soles) in 1942; and flax fiber and tow, 2,185 tons (14,122,000 soles) in 1943, and 4,882 tons (18,147,000 soles) in 1942.

Cotton and Products

Cotton Cultivation, British East Africa

Tanganyika's 1943–44 cotton crop is estimated at 17,260 bales (400 pounds each). The 1944–45 crop may be small because of late planting, as a result of unfavorable weather. This also is true of Kenya and Uganda. Emphasis on food crops also contributed to the lower cotton acreage.

Up to the end of August, 1,105,988 acres had been planted in Uganda, as compared with 1,208,144 on the corresponding date of 1943, and total sowing of 1,233,801 acres for the year. Unofficial sources forecast a crop of about 200,000 bales (400 pounds each), if weather is favorable for the remainder of the season.

Production, British West Indies

Cotton growers in the British West Indies have been organized into a cooperative unit. The association has done much toward maintaining a high standard of uniformity and has introduced organized pest control. On the island of St. Vincent, for instance, all planters must obtain selected seeds from government nurseries, and efforts are being made to eradicate all wild cotton plants to avoid insect infestation.

For the 1944–45 crop year cotton plantations covered only 12,000 acres, as in 1943–44. Estimated production for both years is given as 1,500,000 pounds. The cotton area in 1940–41 covered 21,590 acres. The reduction is attributed to a trend toward growing more food crops, and the transfer of labor to more remunerative employment.

The islands of Montserrat, St. Vincent, and Nevis account for about five-sixths of the entire cotton crop. The most general growths are "superfine," which has a staple 2 inch long, and "Montserrat," which has a staple 1½ inches long. On the island of Carriacou in the Grenadines, about 400,000 pounds of "Marie Galante" cotton are produced annually. This is a perennial plant with a staple from 1 to 1½ inches long. Production is declining from year to year because of soil erosion.

Operations of Honduran Factory

Operations in the cotton-textile factory of Honduras continued on a 24-hour basis during the third quarter of 1944, although production was not up to capacity. From July through September, 42,849 pounds of cotton yarn and 77,191 yards of drills were manufactured, all of which were sold on the domestic market.

Cotton grown in Honduras is not sufficient to supply the mill, and relatively large amounts are imported from El Salvador.

Egypt's Cotton Production, Consumption, and Exports

Most of Egypt's cotton crop was picked during October. The yield per feddan (1 feddan=1,038 acres) was reported to be somewhat higher than in 1943, but the proportion of higher grades is smaller, the medium grades being more plentiful.

From September 1 to November 3, 1944, 119,073 cantars (1 cantar=99.05 pounds) were consumed and 202,442 exported, as compared with 136,194 cantars consumed and 1,029,919 exported in the corresponding period of 1943. In October of this year 192,834 cantars were exported, whereas in the corresponding month of 1943 exports exceeded 700,000 cantars.

Cotton trading improved during October, and daily turn-overs of more than 1,500 bales were recorded, chiefly of Karnak, Giza 7, and Zagoras.

Samples of a new variety of Egyptian cotton called "Aswanli" (Giza 31) have been submitted to the Cotton Control in England for spinning tests, says a British publication. The new strain reportedly is similar to Giza 7. The current crop of Karnak (Giza 29) is said to have greater strength than the preceding crop.

Cotton Situation in India

India's 1944–45 cotton crop has been adversely affected by floods in many of the important growing areas.

From September 1 to 22, 1944, 110,837 bales (of 400 pounds) of cotton arrived at principal Indian ports, as compared with 31,819 bales received in the corresponding period of 1943. Cotton exports totaled 55,954 bales and 51,520 bales, respectively. From September 1, 1943 to July 31, 1944, 3,767,077 bales of domestically produced cotton were consumed in India. In like months of the preceding year 3,929,437 bales were used.

The yarn market was steady during September. Coarser count yarns were in better supply than in previous months, but medium and fine counts continued scarce. Demand for cloth was satisfactory. Coarser-count cloths were obtainable, but fine-count types were in meager supply. A good export demand prevailed throughout the month.

Situation in Spain

Spain imported 5,517,492 kilograms of cotton in September, which compares favorably with the 4,191,065 kilograms received the preceding month, and 4,424,580 kilograms received in September 1943. This makes a total of 55,751,094 kilograms for the first 9 months of 1944; in the corresponding period of 1943 imports aggregated 63,162,857 kilograms.

Mill operations reached a new low point in September, because of the cotton shortage. Restrictions were placed on the consumption of electric power, which further handicapped many factories. Spinning and weaving operations were confined almost entirely to work on Government orders. Releases of raw cotton to the mills averaged about 560 bales daily, as compared with 1,650 in the preceding month.

Estimates on the current cotton crop have been raised to approximately 27,000 bales of ginned cotton of 220 kilograms each. This is about 2,400 bales higher than the earlier estimate, and 6,600 bales above estimates for the 1943 crop.

Silk and Products

Mulberry Cuttings Planted in Bahama Islands

In 1944, the Bahama Islands imported 120,000 mulberry cuttings from Venezuela, but only 40,000 survived. It was reported in November that about 2,500 had reached a height of from 2 to 3 feet, and the remainder were in a nursery awaiting the selection of proper locations. About 3 acres have been planted, and it is believed that silk will be produced successfully.

Wool and Products

Situation in Australia

Australian wool growers were reassured in October that the United Kingdom will continue to purchase the entire clip at guaranteed prices until one season after conclusion of the war with Japan. Members of the trade had expressed grave concern lest their contract with the United Kingdom be terminated at the end of the war with Germany, since Japan was not in the war at the time the original agreement was made.

Shearing of the 1944–45 clip began in August and although dry weather facilitated progress in the shearing, lack of transportation forced a delay in deliveries to appraisement centers.

Canadian Wool Situation

Canadian wool manufacturers have little hope that the tight supply situation in worsted yarns and cloth for civilian purposes will be eased any time soon, according to a Dominion publication. Deliveries against previous orders for military fabrics will not be completed before January 1945, by which time orders

are expected for several million yards more. Thus, worsted mills should be busy until late in 1945. Labor apparently is the only restraining factor, as there is a large stockpile of raw wool in the country.

Imported fabrics, which figure prominently in the over-all supply position, may possibly be available in larger quantity in the future. Imports from Great Britain declined tremendously during the first 10 months of 1944 in such important classifications as tweeds, serges, overcoatings and worsted suitings, but a group of Canadian officials recently visited London for the purpose of obtaining an increased allotment.

Swiss Wool Clip

The 1943 spring wool clip of Switzerland totaled 128,800 kilograms, and the fall clip yielded 172,500 kilograms. Owners were permitted to retain 60,000 kilograms for their personal use.

Switzerland is to receive 1,000 metric tons of Argentine wool and 3,000 tons of Brazilian wool, says a November report. Actual delivery may be delayed because of the necessity of obtaining landcerts for its transit through France; and in the meantime, the wool will be stored at Lisbon.

U. K.'s Wartime Export Trade

The prospect of expanding the restricted wartime export trade in wool piece goods and manufactures continues to be highlighted in the United Kingdom wool industry, and the Joint Rationing Committee of the Wool Control has informed cloth manufacturers of the necessity for making limited provisions for the production of new patterns for export. The Wool Controller also has agreed to the issue of small weights of raw materials and yarns, in addition to ration allowances, for production of these export patterns. The labor situation, however, has not improved, and the present force available to the industry is inadequate even for the full production programs of Government, relief, export, and civilian fabrics previously authorized.

The United Kingdom Board of Trade recently released information concerning the destination of woolen and worsted tissues exports in 1943 and 1942. These data show that Canada was the largest recipient, having taken 16,803,000 square yards, or 38 percent of the total (44,208,000 square yards) in 1943 and 17,896,000 square yards, 24 percent, of 1942 exports amounting to 73,330,000 square yards. In 1938 (at which time Canada's wool-textile industry was turning out less than half the amount currently being produced) Canada took only about 15 percent of United Kingdom exports of woolen and worsted textiles, or approximately 14,000,000 square yards. Other purchasers of large quantities were the Union of South Africa, 5,383,000 square yards in 1943 and 12,137,000 square yards in 1942; Argentina, 1943, 5,259,000 square yards, 1942, 5,427,000 square yards; United States, 1943, 2,627,000 square yards, 1942, 9,993,000 square yards; and New Zealand, 1943, 2,796,000 square yards, 1942, 3,390,000 square yards.

Official OWI Photo

Exports of tops, yarn, and cloth in the third quarter of 1944 failed to come up up to those during the corresponding months of 1943 and in several cases fell below those of the second quarter of 1944. This is indicated by the following table.

Item	Third quarter 1943	Second quarter 1944	Third quarter 1944
Wool tops...pounds..	981,000	1,205,000	832,000
Woolen yarn...do....	218,000	174,000	207,000
Worsted yarn...do....	2,308,000	1,686,000	1,615,000
Alpaca and mohair yarn (including cashmere) pounds..	118,000	38,000	50,000
Woolen cloth square yards..	8,057,000	6,033,000	4,866,000
Worsted cloth...do....	4,575,000	2,484,000	3,201,000

Miscellaneous Fibers

Flax Production, Australia

Flax was first grown in Australia in the State of Victoria. In 1936, 927 acres were planted. By 1940, the flax area had expanded to 12,087 acres, and cultivation was begun in Tasmania and Western Australia, covering 7,059 and 1,006 acres, respectively. In 1941, cultivation was reported in South Australia also, 8,135 acres having been planted. The area planted to flax in these four States in 1942 and 1943, was as follows:

State	1942	1943
	Acres	*Acres*
Victoria	26,173	31,567
Tasmania	11,964	6,911
South Australia	9,818	9,511
Western Australia	8,785	7,812
Total	56,740	55,801

Increased Sisal Production, Nyasaland

Wartime demand and the unavailability of Manila fiber from the Far East have stimulated sisal production in Nyasaland. This industry reached its highest point in 1930, when more than 9,000 acres were cultivated and exports totaled 2,876,000 pounds. Prices dropped to such a low point in 1931 that severe losses were suffered and many plantings were abandoned. Conditions improved by 1936, and an upward tendency was begun which reached a peak in 1939, with exportation of 1,216,610 pounds. These figures have not since been duplicated or exceeded. A decided drop in exports was reported in 1943, caused by the large quantities of sisal consumed by a domestic rope factory which has been extremely busy in recent years.

Wearing Apparel

Factory Operations, South Africa

Small clothing factories in the Union of South Africa were more uniformly occupied during 1943 than in 1942 and although they were still unable to work to full capacity because of the scarcity of materials, pooling and more equitable distribution of textiles, buttons, and buckles made less short-time operation necessary. All of the larger clothing factories were fully occupied during both 1943 and 1942, according to a foreign publication.

Tobacco and Related Products

Items Entered for Consumption in Canada

Tobacco, cigarettes, and cigars entered for consumption in Canada during October 1944 were as follows, according to an unrevised statement issued by the Canadian Department of National Revenue:

Canadian raw leaf tobacco...pounds..	203,107
Cut tobacco...do..	2,392,878
Plug toobacco...do..	308,719
Snuff...do..	85,797
Cigarettes...number..	1,017,912,315
Cigars...do..	18,132,576

Excise taxes paid on cigars during the same month amounted to $14,195,191.

Tobacco Industry, Canary Islands

Tobacco production in the Canary Islands in 1944 was limited to 1,000,000 kilograms (1,000 metric tons). This is approximately 40 percent of the 1943 output. The action was taken by the Economic Command of the Islands in order to avoid a recurrence of overstocking which was so much in evidence during the preceding year.

The leaf consumption of the Grand Canary factories in peacetime aggregated about 1,500 metric tons of imported leaf. As of June 30, 1944, the bonded warehouses at Las Palmas, Grand Canary, had on hand 132 hogsheads and 24 tierces of foreign leaf. There are no figures available on the manufacturers' stocks at that time, but it is reported that growers had on hand about 100 metric tons of leaf which comprised unsold quantities from their 1942 and 1943 crops.

As a means of disposing of the large amounts of native leaf which have accumulated, manufacturers have been ordered to keep on hand at all times equal quantities of foreign and Canary leaf. The ratio of 50–50 is supposed to be fol-

lowed in the manufacture of tobacco products.

A lot of 1,000 metric tons was expected from Brazil some time during the late fall and was to be used in connection with an extraordinary order received from the Spanish Tobacco Monopoly.

Canary Island tobacco manufacturers are under contract with the Tobacco Monopoly in Spain for the delivery of cigars and cigarettes, but nothing has been shipped to the Monopoly since 1942 because of the low buying prices in effect. In August 1944, however, the tobacco manufacturers' syndicates reached an agreement with the Monopoly which calls for cigarette deliveries, special in character, during a period of 12 months.

This agreement calls for 900,000,000 cigarettes, divided equally between the two types, "Elegantes" and "Populares." The composition of these cigarettes is to be 50 percent Brazilian and 50 percent Canary leaf. Deliveries are to be on a monthly basis and were expected to begin about the middle of November, depending upon the arrival of the Brazilian leaf. Prices are to be 18.733 pesetas and 15.619 pesetas per 1,000, respectively, for the two types. The sales prices in Spain to the public are 1.10 pesetas and 0.75 peseta per package of 16, plus the corresponding "Uso y Consumer" tax.

The Grand Canary Island Tobacco Syndicate will prepare and ship 41 percent of the total contract.

Situation in Turkey

Unofficial estimates of the 1944 production of tobacco in Turkey place the total crop at between 53,000,000 and 60,000,000 kilograms. Domestic consumption is estimated at between 15,000,000 and 20,000,000 kilograms of this crop. Normal crops were produced in some areas, but in other areas, particularly in the Aegean area, drought reduced the crops and adversely affected the quality of the tobacco. The amount of tobacco of sufficiently high quality to interest United States buyers produced in the Aegean area during 1944 is placed at between 17,000,000 and is 18,000,000 kilograms by unofficial estimates.

Approximately 6,000,000 kilograms of manipulated and packed tobacco (mostly 1943 crop) ready for sale to exporting companies, were still in dealers' hands at the close of the 1944 third quarter. Dealers' price of £T4 per kilogram was apparently too high for prompt disposal of the leaf. In addition to the high prices, transportation difficulties have been instrumental in bringing about this "waiting" attitude on the part of exporters.

No date had been set at the end of the third quarter for the opening of the 1944 market.

Town-gas shortage in Wellington and Auckland, New Zealand, continued into October. Rough weather at Greymouth and Westport prevented coal ships from leaving the harbor. In an effort to stretch out gas supplies, authorities reduced gas pressure considerably at night and cut it off entirely at certain hours during the day.

Latin American Exchange Rates

NOTE.—Averages are actual selling rates for sight drafts on New York, in units of foreign currency, per dollar, with the following exception: Cuba—United States dollar to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to a dollar.

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1942 (annual)	1943 (annual)	August 1944 (monthly)	Rate	Approximate equivalent in U. S. currency	Date
Argentina	Paper peso	Official A	3.73	3.73	3.73	3.73	$0.2681	Nov. 4, 1944
		Official B	4.23	4.23	4.23	4.23	.2364	Do.
		Bid	4.94	4.94	4.94	4.94	.2024	Do.
		Free market		4.06	4.0450	4.03	.2482	Do.
Bolivia	Boliviano	Controlled	46.46	42.91	42.42	42.42	.0236	Nov. 21, 1944
		Curb	49.66	45.42	50.00	57.00	.0175	Do.
Brazil	Cruzeiro [1]	Official	16.50	16.50	16.50	16.50	.0606	Sept. 11, 1944
		Free market	19.64	19.63	19.565	19.50	.0513	Do.
		Special free market	20.52	20.43	20.30	20.00	.0500	Do.
Chile	Peso	Special	19.37	19.37	19.37	19.37	.0516	Nov. 30, 1944
		Export draft	25.00	25.00	25.00	25.00	.0400	Do.
		Free market	31.75	32.37	31.69	31.78	.0315	Do.
		"D. P." [2]	31.13	31.00	31.00	31.00	.0323	Do.
Colombia	do	Commercial bank	1.75	1.75	1.75	1.746	.5727	Oct 7, 1944
		Bank of Republic	1.76	1.76	1.76	1.755	.5698	Do.
		Curb	1.77	1.76	1.75	1.75	.5714	Do.
CostaRica	Colon	Uncontrolled	5.71	5.65	5.6776	5.70	.1754	Oct. 31, 1944
		Controlled	5.62	5.62	5.62	5.62	.1779	Do.
Cuba	Peso	Free	1.00	1.00	1.00	1.00	1.0000	Do.
Ecuador	Sucre	Central Bank (official)	14.39	14.10	14.10	13.50	.0741	Nov. 20, 1944
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	.4902	Nov. 15, 1944
Mexico	Peso	Free	4.85	4.85	4.85	4.85	.2062	Oct. 31, 1944
Nicaragua	Cordoba	Official	5.00	5.00	5.00	5.00	.2000	Nov. 18, 1944
		Curb		5.16	5.76	6.20	.1613	Do.
Paraguay	Paper peso	Official	333.00	[3] 333.00				
	Guarani [4]	do		3.10	3.12	3.12	.3205	Nov. 25, 1944
Peru	Sol	Free	6.50	6.50	6.50	6.50	.1538	Nov. 11, 1944
Salvador	Colon	do	2.50	2.50	2.50	2.50	.4000	Nov. 30, 1944
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	.5263	Oct. 31, 1944
		Free	1.90	1.90	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Controlled	3.35	3.35	3.35	3.35	.2985	Nov. 20, 1944
		Free	3.45	3.35	3.35	3.35	.2985	Do.

[1] Under law of Oct. 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since Nov. 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.
[2] Disponibilidades proprias (private funds).
[3] Used until Nov. 7, when the paper peso was replaced by the guarani.
[4] New currency unit instituted as of Nov. 8, 1943. Paraguayan central bank establishes a "legal rate" from which buying and selling rates may vary by 1 percent. Since July 13, 1944, the legal rate has been fixed at 3.09 guaranis to the dollar, resulting in buying and selling rates of 3.059 and 3.121 respectively.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Britain's Books—a Wartime Casualty

(Continued from p. 11)

paper-bound sixpenny and ninepenny books, and, later, the publication of inexpensive reprints, that book sales on a grand scale were made possible.

Unsatisfied Demands

Libraries today are unable to cope with the apparently insatiable national appetite for reading. Not only have many libraries been destroyed—by the blitz in the early days of the war, and now by the robots—but those which have escaped such damage are faced with the unalterable situation of not being able to replace worn-out volumes of classics and perennial favorities. It has been estimated that at least 10,000 titles, including among them books on travel, politics, religion, and, most important, textbooks, are out of print for the duration.

According to a noted author and publisher, "The well-filled bookshops and bookstalls may not suggest any serious shortage to the casual observer, but let him try to buy a copy of some standard work and he will soon know all about the book famine."

As if shortages resulting from inadequate production were not enough, more than 20,000,000 books have been lost in air raids during the course of the war. In one instance the warehouse of a large firm of wholesale booksellers was blitzed and its entire stock of approximately 6,000,000 books was completely destroyed. Furthermore, millions of books have been sent to the armed forces overseas.

Post-War Prospects

It is believed that the liberation of occupied countries after 5 years of Axis domination will release upon the world's book producers a deluge of pent-up demand.

Wherever British and American troops have gone, they have taken with them

the literatures of their countries and have furthered the international interest in English, both as a language and as a culture. What Great Britain's book producing industry will be able to contribute toward the satisfaction of these markets throughout the world depends upon how soon normal production can be resumed. It appears that for a time, the United States may be the only important supplier.

New Forces in World Economy

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sarily provide a guiding hand in the structure of the trading world of the future.

Common Fallacy

I now want to call attention to what I believe has been too common a fallacy in our conception of international trade. I refer to the tacit assumption underlying much of our reasoning that the volume of world trade is more or less fixed and that if Country X should sell more either within our borders or in Country Y, we shall lose that much of our own markets. I realize that I may be treading here on the border line of the type of oversimplification which I have already criticized. I am conscious of the fact that in individual cases particular concerns may be adversely affected, at least temporarily. Yet it is hardly necessary to argue the fundamental point that an expanding trade brings greater prosperity and a higher standard of living than a level of business which leaves willing hands unemployed and which holds forth the prospect of more and more intervention by governments to keep large masses of people fed and clothed.

Goods Must Move

It should be added that mere production is not enough. Goods must be permitted to move. This may require special machinery for financing the international exchange of the world's products. A discussion of the Bretton Woods Agreements, the future of the Export-Import Bank, or private international lending falls outside the scope of my remarks at this time. It is enough to say that trade and finance go together. As a net creditor nation we have a special stake in the prosperity of the rest of the world. The more prosperous the outside world, the more likely that dividends will be transferred on our industrial investments abroad and that interest on foreign bonds held in this country can be paid in dollars. A world which is generally prosperous will have its prosperity reflected in a high volume of international trade, and the transfer of funds through the exchanges will present fewer difficulties.

Production and buying power are opposite sides of the same disk. A high level of output and national income in this country is essential to a large inflow and outflow of goods in our foreign trade. In the past we have more or less assumed that finding markets abroad for our goods was consistent with efforts to minimize imports. As a long-run policy this approach threatens serious consequences, as we have discovered. It would appear more logical to explore the possibility of absorbing more imports as the surest way of expanding exports. If in doing so we can successfully guide our economy into the realm of high-volume and low-cost output, maximum employment, and effective methods of distribution, this should follow as a matter of course without injury to any segments of American industry. To run the risk of achieving much less may readily jeopardize the future of private enterprise.

Europe's Commodity Needs for Relief and Rehabilitation: Tough Tasks Tackled by the "Combined Boards"

Urgent pleas for everything from horseshoe nails for Sicily and fishing hooks for the Greeks to water-pumping machinery for the Netherlands and raw cotton to be converted in the mills of France into critically needed tent duck for Allied forces are being laid before the Central Section for Relief and Rehabilitation of the Combined Production and Resources Board and the Combined Raw Materials Board, of the War Production Board, it was reported recently in a statement by officers of the two boards.

To Start Industry Again

This indicates that even as the United States, Britain, and Canada are reaching the peak of their military and war-production effort, they are being called upon to give help to again start industry within the liberated areas, the boards say.

Although allocations are being made and "shipping licenses" issued, the amount that can be delivered to liberated areas is severely limited by other demands on United Nations shipping and by limitations of port facilities and inland transportation in Europe. Military needs, the boards emphasize, must inevitably come first.

Astonishing Range

The actual range of estimated requirements is very wide, the report shows. It includes such odds and ends as sewing needles, post-office forms for the Balkans, ration-book covers, pesticides, water-supply purifiers, dental equipment, and nutrition-research instruments.

It also includes such big items as 700 steam locomotives primarily for military transportation for France, 60,000 railway freight cars for liberated Europe, coal-mining machinery for Spitzbergen, highway repair machinery for Italy, and Diesel and steam power generating equipment for several years.

First and Second Channels

The Combined Boards, which are the agencies coordinating the economic efforts of the United States, the United Kingdom, and Canada, receive these requests through three channels. *First* is the military, which in the case of the Anglo-American theaters bears the responsibility for relief of the civilian population during the immediate period of liberation, and for a brief time (usually figured at 6 months) thereafter. *Secondly,* countries requesting the aid of the United Nations Relief and Rehabilitation Administration have their needs filed with the boards through UNRRA, the boards then indicating sources of supply to UNRRA.

The list of UNRRA requirements almost writes its own story of misery and heartbreak in the wake of war, the boards say. It includes items of clothing, nails for house repairs, and, perhaps predominantly, shoes and shoe-repair materials.

Some Countries Can Pay

The *third* channel, now coming into augmented use, is that for requests from those countries which have resources to pay for at least part of their needs. This list includes such nations as France and Belgium, the Netherlands, and Norway.

These are largely for materials that will once more get their own industries into production, thereby furnishing employment to their own people.

It is being found that usually the first requirement of a liberated area is the resumption of transportation; then follows demand for coal with which to generate power. Requests for the raw goods—cottons, wool, rubber, leather, and others—are then given top priority by the liberated countries.

Explore Every Source

The general supply position of the United Nations is such that the Combined Boards have adopted the policy of designating sources only for such goods as are in over-all short supply. Such vital items as textiles, coal, hides, and footwear of course rank very high on the list of short supplies. Yet such is the eagerness of the United Nations to get the liberated areas back on their economic feet and so make a contribution to the Allied war effort that the Combined Boards are exploring every source, in conjunction with the operating agencies of the countries concerned, to find some contribution of even these materials, it is stated.

For goods not in short supply, the boards issue a "shopping license" and the paying governments are free to seek such supplies where they choose. In order, however, that the Combined Boards may maintain an over-all view of the supply position, the paying governments inform the boards of their requirements as soon as they develop.

Spanish Bottle Industry

(Continued from p. 12)

the rate of production is adversely affected by the irregular quality of the coal that is delivered. Coal can be burned in certain bottle factories in other regions, if the managements wish to operate their producer-gas installations.

Fuel oil must be imported. None was distributed for several months in the first half of 1944 when the supply was checked by a temporary embargo on petroleum shipments from the United States to Spain. The present distribution of fuel oil is at the rate of 4,000 metric tons a month, which appears to be "normal" under present war conditions. Barcelona, where two of the most important fuel-oil-consuming bottle factories are located, received even in the poorest months about half of the fuel oil allotted to the whole glass industry. The Province of Cadiz, where the Jerez bottle factory is located, ranked second in its fuel allotment.

Raw Materials

Experts say that practically no foreign material is used now in Spanish bottle production, even in the most carefully made bottle "metal." Local oxide of manganese is substituted for the better grades of silicate that were imported before 1940 from France and Germany. The action of the oxide of manganese is similar to that of selenium in producing a more transparent glass, the oxide of manganese being used to take out traces of iron oxide.

Cobalt was formerly imported, but Spanish production is now adequate in quantity and quality for use in the bottle industry.

Soda, which is as essential as sand to most bottle formulas, was consumed in larger quantities by Spanish glass works in 1940 than by any other single domestic industry. Although produced in Spain, the output of soda is completely controlled by a foreign patent.

German refractory materials, sold either in bulk or in the form of furnace parts, were available in Spain until September 1944. They have the reputation of being more resistant than domestic refractory products.

Expanded Market

Spanish glass makers are anticipating international competition in the postwar bottle trade of France, Italy, and other regions that have been the battle areas of opposing nations during the past 4 years.

Spain is geographically well suited to serve these needs, and has the capacity to produce twice the present output. Spanish bottle makers plan to be ready when the vintners of Europe begin to replenish their ravished stocks.

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U. S. Export Control and Related Announcements

(Developments communicated to the Trade Controls Unit up to Tuesday, December 26, 1944.)

The Foreign Economic Administration has issued the following Current Export Bulletins and Trade Relations Supplement:

No. 588—*Current Export Bulletin No. 216, December 18, 1944*

I. *Export of Cotton and Rayon Broad-Woven Piece Goods Warehoused Prior to January 15, 1944*

The Foreign Economic Administration will give special consideration to applications for license to export to Group K countries cotton and rayon broad-woven piece goods which were warehoused prior to January 15, 1944, provided that title to the goods passed to a purchaser in a Group K country prior to January 15, 1944.

The application must show on the form FEA 419 under item 6, "Purchaser in foreign country," the name of the purchaser to whom title to the goods passed prior to January 15, 1944. The following documents must be attached to the application.

1. A true copy of the warehouse receipt, issued by the warehouse in which such goods are stored, or a letter from the warehouseman, indicating that the goods are in warehouse and were placed in warehouse prior to January 15, 1944.[1]

2. A copy of the invoice for the goods.[1]

3. Other available evidence, including evidence of payment, which will indicate that title to the goods passed to the foreign purchaser prior to January 15, 1944.[1]

The Foreign Economic Administration will not assign preference ratings for the procurement or replacement of any goods for which it grants licenses in accordance with the above procedure.

[1] The requirement contained in paragraphs 1, 2, and 3 has been approved by the Bureau of the Budget, under date of December 4, 1944, and approval number BB 31-RO 58, in accordance with Regulation A pursuant to the Federal Reports Act of 1942.

When application is made to export to a Group K country requiring import recommendations for cotton and rayon textiles, the exporter must either submit a copy of an import recommendation issued for the goods or state the number of such import recommendation previously submitted to the Foreign Economic Administration.

II. *Export Allocation of Certain Cotton Textiles for Middle East Destinations for the First Half of 1945*

A. At the suggestion of the Textile Advisory Committee for Exports, the Foreign Economic Administration announces that a probable export allocation of approximately twenty million linear yards of certain cotton textiles is *anticipated* for the first six months of 1945 for the Middle East destinations. Announcement of this probable allocation is made solely in an effort to assist the exporter in soliciting orders in the Middle East area and does not represent any commitment on the part of the Foreign Economic Administration, as the figures may be subject to change without notice. Additional countries and additional fabric classes may be announced through subsequent Current Export Bulletins, but at present the allocation will cover shipments to the following countries:

Anglo-Egyptian Sudan
Cyrenaica (Libya)
Eritrea
Ethiopia
Iran
Iraq
Syria
Tripolitania (Libya)

B. In soliciting orders from Middle East importers, exporters are cautioned that export licenses are likely to be granted only for the classes of textiles listed below and should be guided in their dealings by the size of the anticipated allocation. The exporter's attention is directed particularly to the facts (a) that fabric class 13 will comprise about half of the total allocation and (b) that the allocation of fabric class 17 is for *printcloth yarn* fabrics, which do not necessarily include all types of printed goods.

Fabric Class No.	Description	Probable quota per quarter in linear yards
1	Aeronautical cloths and lawns, combed.	Less than 50,000.
2	Marquisettes, combed	Less than 50,000.
3	Twills and gabardines, combed.	Less than 50,000.
4	Poplins and broadcloths, combed.	Less than 50,000.
5	Shirtings, combed	Less than 50,000.
6	All other combed yarn fabrics.	Less than 50,000.
13	Sheetings (coarse)	6,000,000.
14	Sheetings (medium)	500,000.
15	Sheetings (wide)	500,000.
16	Drills, twills and sateens	1,000,000.
17	Printcloth yarn fabrics	1,500,000.
19	Denims, cottonades, pants coverts.	Less than 50,000.
20	Chambrays and shirting coverts.	Less than 50,000.
21	Outing flannelettes	Less than 50,000.
22	Shirting flannels	Less than 100,000.
24	Ginghams and seersuckers	100,000.
29	Blankets and blanketings	100,000.
30	Towels and towelings	Less than 100,000.
32	All other carded yarn fabrics	Less than 50,000.

C. To enable the Middle East importer to meet requirements of the importing country, the U. S. exporter should specify the *fabric class number* (not the Schedule B numbers) in his transactions with the importer.

III. Changes in General Licenses

Commodity	Department of Commerce schedule B number	General license group, old	General license group, new	Effective date of change
Industrial Chemicals:				
Dichloroethyl ether	8329.98	None	K	Immediately.
Lithium compounds	8398.98	None	K	Immediately.
Industrial Machinery:				
Vegetable-oil mill machinery and parts (report mineral-oil drilling and refining machinery in 7342.00 and 7349.01 thru 7349.98):	7661.00			
Delinting machinery	7661.00	None	K	Immediately.
Parts for delinting machinery	7661.00	None	None	
Other vegetable-oil mill machinery parts, n. e. s.	7661.00	None	None	
Leather-working machinery and parts	7750.98			
Leather-working machinery	7750.98	None	K	Immediately.
Parts	7750.98	None	None	
Nonferrous Ores, Metals and Alloys, Except Precious:				
Aluminum, aluminum alloys, including duralumin:				
Bauxite and other aluminum ores	6290.00	None	K	Immediately.
Bauxite concentrates, including alumina	6295.00	None	K	Immediately.
Other metal and metal composition manufactures, n. e. s. (include manufactures of pewter and German silver, tantalum wire, vanadium flue dust, etc.):	6691.98			
Metal signs, other than electric	6691.98	None	K	Immediately.
Other metal and metal composition manufactures, n. e. s.	6691.98	None	None	
Other Nonmetallic Minerals, Including Precious:				
Graphite, natural:				
Flake, crystalline lump or chip	5472.03			
Madagascar flake, crystalline lump or chip	5472.03	None	K	Immediately.
Other flake, crystalline lump or chip	5472.03	None	None	
Other natural graphite (not including Ceylon amorphous or natural graphite, flake, crystalline lump or chip):	5472.98			
Madagascar graphite, not in flake, crystalline lump or chip form.	5472.98	None	K	Immediately.
Other natural graphite, n. e. s.	5472.98	None	None	
Other nonmetallic mineral products, except precious (include crushed stone, sand, gravel, crushed slate, silex, crude chalk and chalk manufactures) (report chalk crayons in 9306.00):	5960.98			
Flints, gas lighter	5960.98	None	K	Immediately.
Lithium ore (including spodumene, lepidolite, amblygonite, triphylite, petalite, zinnwaldite, crude lithium sodium phosphate, and all other lithium-bearing ores and concentrates)	5960.98	K	K	
Other nonmetallic mineral products, n. e. s.	5960.98	None	None	

The following changes in general license apply only to those protective coatings as defined in WPB Order M-382, paragraph (a) (1), which do not contain any of the allocated raw materials listed in paragraph (a) (2) of the order.

Exporters making shipment of the commodities under this general license must note the general license symbol (the letter "G" and the appropriate country number) on the export declaration, when necessary to be filed. The use of this general license symbol is a certification by the exporter to the Foreign Economic Administration that the shipment is being made within the general license provisions as set forth below.

Commodity	Department of Commerce schedule B number	General license group, old	General license group, new	Effective date of change
Pigments, Paints, and Varnishes:				
Bituminous paints, liquid and plastic	8430.00			
Bituminous paints, liquid and plastic not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382	8430.00	None	K	Immediately.
Other bituminous paints, liquid and plastic	8430.00	None	None	
Kalsomine or cold water paints, dry	8432.00			
Kalsomine	8432.00	K	K	
Cold water paints other than kalsomine not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382	8432.00	None	K	Immediately.
Other cold water paints, n. e. s.	8432.00	None	None	
Nitrocellulose (pyroxylin) lacquers, clear:	8434.00			
Nitrocellulose (pyroxylin) lacquers, clear, not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382	8434.00	None	K	Immediately.
Other nitrocellulose (pyroxylin) lacquers, clear	8434.00	None	None	
Nitrocellulose (pyroxylin) lacquers, pigmented (include primers and surfacers, oil and lacquer base)	8433.00			
Nitrocellulose (pyroxylin) lacquers, pigmented (include primers and surfacers, oil and lacquer base) not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382	8433.00	None	K	Immediately.
Other nitrocellulose (pyroxylin) lacquers, pigmented	8433.00	None	None	
Other paints, stains, and enamels, ready-mixed (not containing radium in any form or mesothorium)	8438.98			
Other paints, stains, and enamels, ready-mixed (not containing radium in any form or mesothorium) not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382	8438.98	None	K	Immediately.
Other paints, stains, and enamels, ready-mixed, n. e. s.	8438.98	None	None	
Paste and semipaste paint colors in oil, putty, and paste wood filler, n. e. s. (include paint in stick form and lithopone paste and in oil)	8431.98			
Paste and semipaste paint colors in oil, putty, and paste wood filler, n. e. s. (include paint in stick form and lithopone paste and in oil) not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382	8431.98	None	K	Immediately.
Other paste and semipaste paint colors in oil, putty, and paste wood filler, n. e. s.	8431.98	None	None	

Spanish Bottle Industry

(Continued from p. 40)

Investment

Of the total investment of 120,000,000 pesetas in Spanish glass companies, one-third is devoted to the manufacture of bottles. The bottle industry's capital value of more than 40,000,000 pesetas is tied up primarily in extensive plant required in the preparation of the "metal" and molding of forms. A chief reason for the heavy capital investment in the bottle industry is the lack of standardization and the resulting necessity of keeping in stock a sufficient number of molds to handle orders.

Molds

The capital lying idle in stock rooms in molds and special forms is one of the drawbacks of the industry. Another loss charged to molds is the time consumed in changing from one order to the next, the shift in molds often consuming more time than is needed to fill the order.

The variety of forms and molds required in the field of hollow glass and containers may amount to a thousand or more where the individual factory does not specialize in the manufacture of a limited number of types of bottles. This is true especially of works employing white "metal" and supplying pharmaceutical, laboratory, perfume, and related trades, and to a small extent the beer, mineral-water, liquor, and wine industries.

History

The modernization of the Spanish glass industry advanced rapidly during the last decade of the nineteenth century and first quarter of the twentieth. The historical Spanish glass shows three main strains of derivation corresponding to the three main centers of production—in Andalusia, Barcelona, and a small but active center north of Madrid. Plants in the regions of Andalusia and Catalonia increased production and standardized the character of their bottles to meet the growing demands of the domestic wine exporters.

Some of the glass factories were forced to shut down for several years during the Spanish Civil War, and some were damaged—but reconstruction after the war was facilitated by a strongly revived domestic market. The industry's comeback thus was hastened despite the shift from imported to domestic raw materials, the adjustment of furnaces to new and insufficient supplies of fuel, and the need for retraining laborers.

Production

Production in 1935, the best year before the Spanish Civil War, was 39,000,000 bottles, 33,000,000 of which were produced by the main bottle plants and

6,000,000 by smaller producers. In 1940, production increased to 79,000,000 as a result of the need to replenish stocks following the Civil War, and of the demand from bottle importers in a number of foreign countries whose normal sources were cut off by World War II. Subsequently, as the domestic demand subsided and foreign-trade routes were closed, a decrease in orders was noted. Output in 1944 is expected to reach the 1943 total of 73,000,000 bottles. (These figures are for green-glass bottles only.)

Quality

The quality of bottles coming from the five major plants appears to be satisfactorily standardized. Bottle glass of ordinary manufacture in Spain is strong, and it is often heavy and thick. One of the reasons given for the lower-grade Spanish bottle is the failure of the sand to melt and merge with the other elements of the "batch."

Governmental Influence

The Spanish Government takes an active interest in the bottle industry. Bottles for export must pass an inspection at the frontier of Portugal, and, in addition, they are inspected at the factory by a representative of the Government who has the authority to insist on the destruction of inferior products. Steps also are being taken to improve the quality of the cases in which the bottles are packed.

Official prices are imposed, and, on the domestic market, bottles produced by factories using fuel oil are priced higher than bottles from plants using coal. The influence of the Government is felt in the rationing of fuel oil and certain chemical products used as raw materials. Also, in order to retain domestic bottle production for Spanish wines, an official embargo has been placed on the exportation of empty bottles. Another Government action has been to impose an obligatory week-end shut-down on glass plants having continuous furnaces.

Factors in Industry's Future

The industry favors the establishment of a central sales office, representing individual producers, to insure the use of domestic bottles for Spanish wines. The proposal for a central sales office is supplemented by plans for a more comprehensive policy of transportation regulations, with a view to minimizing shipments which duplicate the amount of energy required, coal expended, freight cars used, and labor employed in distribution.

An International Glass Agreement which has been in effect for more than 40 years affects the bottle branch only indirectly as bottle activity may be influenced by conditions in the window- and plate-glass branches. The agreement is not applicable to the bottle industry, as few bottles are shipped from one country to another.

Despite a customs tax of only 17 percent on the value of imported bottles, the

(Continued on p. 43)

Commodity	Department of Commerce schedule B number	General license group, old	General license group, new	Effective date of change
Pigments; Paints, and Varnishes—Continued.				
Thinners for nitrocellulose lacquers	8435.00			
Thinners for nitrocellulose lacquers not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382	8435.00	None	K	Immediately.
Other thinners for nitrocellulose lacquers	8435.00	None	None	
Varnishes (oil or spirit, and liquid dryers)	8442.00			
Varnishes (oil or spirit, and liquid dryers) not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382	8442.00	None	K	Immediately.
Other varnishes	8442.00	None	None	

No. 589—*Current Export Bulletin No. 217, December 22, 1944*

I. *Revised Procedure for Commercial Exports to Turkey*

A. The Foreign Economic Administration announces that the American and British Governments, in accordance with their desire to facilitate and to expedite the flow of commerce to Turkey, have agreed that proposed exportations to Turkey through commercial channels will no longer require consideration by the British-American Coordinating Committee in Turkey except for the commodities listed in paragraph C below. As the situation changes, revisions of this list will be published in subsequent Current Export Bulletins. *However, the publishing of this information should not be construed as indicating that commodities not on this list are in plentiful supply and will be licensed freely.*

B. Procedure for filing applications for an export license to Turkey is summarized briefly as follows:

1. Until the present, all Turkish orders were received by both the Turkish Government and the British-American Coordinating Commitee which was established in Turkey by the American and British Governments to make recommendations on these orders on the basis of essentiality, supply, and shipping. Effective immediately, the revised procedure is as follows:

(a) Export license applications for commodities not listed in paragraph C may be filed by the exporter upon receipt of the importer's order. Such orders are no longer subject to review by the British-American Coordinating Committee in Turkey.

(b) Export license applications for commodities listed in paragraph C should not be submitted by the exporter prior to notification to the exporter by the Turkish Division, Foreign Economic Administration, that the proposed shipment has been recommended by the British-American Coordinating Committee in Turkey. Orders for these commodities must continue to be examined by that committee.

2. To export commodities to Turkey under the conditions described in either paragraph (a) or (b) above, export license application form FEA 419 shall continue to be submitted in quadruplicate to the Requirements and Supply Branch, Foreign Economic Administration, Washington 25, D. C., with a statement of the calendar quarter year in which the export is expected to be made.

3. After a control number has been assigned to each export application approved by the Foreign Economic Administration, the license will be returned to the exporter. Licenses will be valid for the quarter in which they are issued and for the succeeding calendar quarter.

C. Commodities requiring recommendation of the British-American Coordinating Committee in Turkey for shipments to that country are listed below. Inquiries regarding this list should be directed to the Turkish Division, Foreign Economic Administration, Washington 25, D. C.

Commodity	Schedule B No.
Acetaldol	8329.98.
Acetic acid	8300.00.
Acetone	8316.00.
Acrylonitrile, polymers and copolymers	8258.19.
Agar	2999.98, 8123.00, 8127.98.
Agricultural machinery and implements	7810.00–7899.98.
Alcohol:	
Butyl	8313.00.
Ethyl and isopropyl	8315.98.
Methanol	8310.00.
Alkanolamines	8238.00.
Aluminum and manufactures	6290.00–6309.98.
Analine	8025.15, 8059.00, 8025.19, 8401.00.
Arsenates:	
Lead arsenate	8202.00.
Calcium arsenate	8203.00.
Sodium arsenate	8379.98.
Arsenic	6649.98, 8135.98, 8309.90, 8309.98, 8398.85, 8398.98.
Atabrine	8157.98.
Atropine for prescription use	8135.01–8135.10.
Automobiles and other road and rail parts and accessories including bicycles	7901.01–7931.90, 7950.00–7954.00, 7957.00–7995.00, 7996.61.
Ball and roller bearings and parts	7691.00–7693.00.
Bearings, industrial jewel	5990.98.
Belladonna and belladonna leaves and root	2209.01.
Benzene	8006.00.
Bichromates:	
Potassium bichromate	8357.00.
Sodium bichromate	8368.00.
Lead bichromate	8398.98.
Bolts and nuts	6095.00, 6099.00.
Butadiene, polymers and copolymers	8258.19.
Caffeine	8135.11–8135.12.
Calcium carbide	8341.00.
Calcium metaphosphate for prescription use	8135.98.
Carbon tetrachloride	8329.10.
Card clothing	6091.98.
Casein	0099.00, 0099.05, 8258.01.
Cellulose acetate and manufactures	8265.05, 8265.98, 8267.00, 8328.00, 9819.00.
Central heating equipment	6148.00–6152.20.
Chlorine, liquid	8392.00.
Citric acid	8303.07.
Clocks and watches	9570.00–9591.98.

Commodity	Schedule B No.
Conveyors, elevators, and cranes	7234.00, 7235.00, 7246.00, 7249.00.
Copper and manufactures	6401.00–6479.98.
Dental instruments	9150.00.
Diacetone	8119.98, 8329.98.
Diamonds, industrial	5990.05.
Dichlorodifluoremethane gas	8391.00.
Dicyanodiamide	8385.07.
Diphenylamine	8025.70.
Electrical machinery and apparatus, including domestic types	7000.05–7099.98.
Emetine hydrochloride	8124.98, 8135.98.
Ephedrine	8135.98.
Ethyl acetate	8329.30.
Ethyl cellulose	8329.98.
Explosives and fuses	8601.01–8629.00.
Ferro-alloys and manufactures	6213.03–6220.98.
Firearms, ammunition and fireworks	9470.04–9497.98.
Fire-fighting equipment	9807.00.
Fish oils and fish-liver oils	0819.00, 8119.05.
Flax and manufactures	3399.03–3399.09, 3399.98.
Food preparing machinery	7592.00, 7593.00, 7600.00, 7605.00, 7609.00, 7612.00, 7619.00, 7644.00, 7645.00, 7661.00, 7710.00, 7750.98.
Formaldehyde	8320.01, 8320.03, 8320.05.
Furfural	8329.98.
Furnace equipment	7074.10–7074.20, 7750.22–7750.25.
Glycerin	8314.00.
Glycol, ethylene	8311.00.
Glycol ethers	8329.98.
Guanidine nitrate	8385.11.
Gums and resins	2180.00–2189.98.
Hexamethylenetetramine and tablets	8127.98, 8329.96.
Hog grease	0858.05.
Hand and bench tools	6168.43–6178.98.
Industrial machinery, including domestic types	7111.00–7750.98.
Insulated electric wire and cable	6430.00, 6431.00, 6435.00, 6457.00.
Internal combustion engines, spares and parts	7140.00–7159.00.
Ipecac	2209.98, 8124.98.
Irrigation plants	7355.05–7369.98.
Iron and steel manufactures and semimanufactures	6007.00–6209.98.
Istle	3205.07, 3419.09, 3499.09.
Lamps and illuminating devices except electric	9791.00–9799.00.
Land drainage and development plants	7355.05–7369.98.
Lead manufactures	6507.00–6515.98.
Lifts (elevators)	7246.00.
Machine tools, parts and accessories	7400.05–7443.98.
Mapharsen	8180.98.
Melamine	8329.98.
Melamine aldehyde resin	8329.98.
Menthol, medicinal	8125.00, 8135.00.
Methyl ethyl ketone	8329.60.
Methylene chloride	8329.98.
Mica and products	5510.00–5513.00.
Mining machinery and equipment	7305.00–7339.00.
Nails and rivets	6092.00, 6093.00.
Neoarsphenamine	8124.98, 8127.98, 8135.98.
Nickel and manufactures	6545.01–6549.98.
Nicotine and nicotinamide acid	8119.98, 8205.98.
Nonferrous ores and concentrates, metals, and semimanufactures, except precious.	6290.00–6691.98.
Office appliances-stapling machines	7752.00–7779.00.
Oleic acid	0847.00.
Optical instruments	9142.00–9149.98.
Pamaquine napthoate	8157.98.
Paper, related products and manufactures	4711.00–4799.00.
Paper base stocks	4600.00–4699.98.
Parahydroxydiphenyl	8025.98.
Paraphenylphenol resins	8255.01.
Petroleum products-lubricating oils, lubricating grease, petrolatum, brake and shock absorber fluid.	5033.00–5040.98, 5041.00, 5042.00, 5059.00.
Phenolic resins and molding compounds	8255.01–8255.93.
Phosphorous (white and yellow)	8398.87.
Phthalate, dimethyl glycol	8069.98.
Phthalic anhydride	8025.90.
Polyvinyl acetate	8258.19.
Polyvinyl acetate resin	8258.19.
Polyvinyl alcohol	8258.19.
Precious metals and plated ware (not including jewelry)	6920.00–6997.00.
Printing and bookbinding machinery	7790.00–7795.00.
Pumps	7355.50–7369.98.
Pyrethrum	2209.19, 8205.30, 8205.92, 8206.00.
Quartz crystal	5960.01–5960.08.
Quinine	1780.00, 8124.09, 8127.50, 8127.91, 8154.05, 8157.05, 8160.05, 8165.05, 8167.05, 8180.05.
Railway rolling stock	6105.15–6105.38.
Railway signaling equipment	7970.00.
Rail track material	6051.00–6059.00.
Refrigerators	9841.00, 9842.00, 7057.00–7059.00.
Riboflavin	8119.98.
Road making equipment	7201.00–7228.00.
Rubber and synthetic rubber, balta, gutta percha, and manufactures, except rubber gloves, rubber surgical sundries, balata belting.	2001.00–2099.90.
Serums and antitoxins	8120.00, 8121.00.
Sisal and manufactures	3205.19, 3419. 09, 3499.09.
Sodium nitrate	8379.98, 8509.19.
Steam raising and central heating equipment	6148.00–6152.20.
Stearic acid	0849.00.
Steel manufactures	6043.00–6108.05.
Styrene, polymers and copolymers	8258.19.
Sulfa drugs	8135.98.
Surgical instruments	9157.00.
Surveying and engineering instruments, equipment and parts	9160.11–9160.29.
Tartaric acid	8302.00.
Textile machinery	7500.00–7549.00.
Theobromine	8135.18.
Thiamine hydrochloride	8119.98.
Tin and manufactures	6565.01–6565.98.
Toluene and toluol	8011.00.
Tryparsamide	8135.98.
Turbines	7113.00, 7163.00.

Spanish Bottle Industry

(Continued from p. 42)

domestic industry's fear of imported bottles entering the Spanish market has been realized only on rare occasions, notably in the case of small orders for milk bottles, in which case the foreign products cost more than twice as much as local products.

There is also the possibility of the wine and cider merchants' entering the field of bottle production. It is thought that the only effective method of meeting such competition is to keep prices low, or to increase them only in a direct ratio to the increase in production costs.

Though not an immediate prospect, one of the most promising possibilities of expansion now open to the industry is an increased market for milk bottles and fruit jars. Accomplishment of this goal depends on developing a consumer demand and on attaining a cheaper standardized product.

The small quantity of milk bottles manufactured at present is attributed to the reluctance of the Spaniards to break from traditional methods of milk distribution (by means of open pails and covered cans) and also to a lack of general consciousness of hygiene and sanitation. However, the cost of milk bottles is more than the consumer can pay, as economical production is not possible because of the multiplicity of models. In addition, orders are small—some for such small quantities as 500 bottles.

Total annual production of milk bottles and containers for fruit amounts to half a million units. Milk-bottle production is estimated at about 200,000 units, and a similar figure is given for fruit jars for commercial or home canning. About 100,000 special glass jars are made by the white-glass industry each year for the retailing of choice olives.

The industry is at present in an extreme state of flux—trying new outlets, attempting to expand, improving and transforming its production and sales methods.

What Outlook for Fertilizer Exports?

(Continued from p. 9)

has been largely in the preparation of a product in which the rock is calcined with sodium nitrate and coal. There appears to be little if any production of superphosphate in Chile. The apatite deposits could furnish much greater supplies, and with improved production of sulfuric acid could constitute the basis of a successful and much-needed phosphate fertilizer industry.

The desire to develop the production and use of fertilizer materials has been manifested by the Chilean Government on numerous occasions. In 1940 the Chilean Congress created the "Consejo de Fertilizantes," which will function as

a National Fertilizer Board. The law gives the Board absolute power to regulate production, sale, and use of both national and imported products. It is anticipated that production of fertilizers in Chile will ultimately be soundly established, since there is an abundance of raw materials, with the possible exception of lime; the national need for fertilizers is understood in informed quarters; and a greater use of plant food is expected.

COLOMBIA

Imports of fertilizer materials into Colombia during the 5-year period 1936–40, amounted to only 13,120 metric tons, valued at 1,263,300 pesos ($720,000). Crude potassium nitrate (saltpeter) and other nitrogenous fertilizers comprised 83 percent of the total, by value. The imports were on an upward trend during this period but dropped markedly in 1941 as a result of the war, the major share having originated in Germany and France.

Fertilizers have not been manufactured in Colombia in appreciable quantities; consumption, therefore, has been governed by imports. However, since 1939, the Government of Colombia has given consideration to the establishment of a fertilizer industry in the country as well as to the purchasing of fertilizers, controlling distribution, and instigating soil analyses in order to advise agriculturists as to the suitable types of fertilizers for their lands.

Deposits of nitrates have been reported in Valledupar; potash near Bogota; phosphates in the Garare, to the west of La Goajira, and east of Bogota between La Calera and Chipaque; and sulfur in Paramo del Ruiz and Gacheta. Nevertheless, in 1942, it was reported that satisfactory mineral deposits for utilization in making fertilizers had not yet been discovered. Pilot plants were in operation at that time in Bogota and Medellin for the conversion of animal bones into fertilizer, and plans were under way to erect one or two commercial plants for that purpose. It was estimated that the slaughter of cattle throughout Colombia would furnish sufficient bones to make 20 tons of fertilizer a day.

PERU

In Peru, the proportion of cultivated land to population is smaller than in any of the other countries of the Western Hemisphere. Continued and extensive cropping of this land naturally has compelled the use of fertilizers to maintain the production of sugar, cotton, and food crops at the required high levels. The world-renowned guano deposits of Peru have been in the past the chief source of all fertilizers consumed, as well as furnishing supplies for export. Peruvian guano is high in both nitrogen and phosphates. Guano production is monopolized by the Cia. Administradora del Guano, a Government-controlled company.

Extraction of guano averaged 140,000 metric tons annually during the period 1929–41, 90 percent of which was consumed locally; however, since the mid-

(Continued on p. 45)

Commodity	Schedule B No.
Urea	8257.07, 8257.98.
Vaccines	8122.00.
Valves, taps and corks of nonferrous metals	4305.00, 6439.07, 6439.98, 6454.57, 6454.58, 6549.07, 6549.98, 7745.05, 7745.98.
Vegetable oils, fats—edible and inedible	1420.00–1449.98, 2230.00–2339.98.
Vegetable tallow and wax	2999.05.
Vinyl polymers	8258.19.
Vitamins and vitasterols	8119.98.
Welding electrodes	5480.01, 5480.03.
Wire net, mesh, cloth or gauze	6086.90.
Wood and wood products	4001.00–4299.00.
Wool grease, including lanolin	0858.05.
Xylene	8012.00.
Zinc and manufactures	6570.00–6589.98.

II. *Exports of Automotive Replacement Parts*

Effective immediately, exporters of automotive replacement parts, CMP 105, procured and distributed under WPB Limitation Order L–158 (with the exception of spark plugs, Schedule B number 7291.00 and automobile, motor truck and bus engines, less starting, ignition and fuel systems, Schedule B numbers 7931.30 and 7931.50) need no longer indicate the number of units of each of these commodities, when submitting application for export licenses. However, it will be necessary to continue to show on such applications the commodity descriptions, Schedule B numbers, CMP 105, the processing code "AUTO," and the total value of the parts classified under each Schedule B number.

The elimination of the number of units from license applications does not obviate the necessity of entering the units on the Shipper's Export Declaration when such information is required.

III. *Changes in General Licenses*

Commodity	Department of Commerce schedule B number	General license group, old	General license group, new	Effective date of change
Fodders and Feeds:				
Wheat feeds, bran, middlings, etc	1190.00			
Cracked or crushed wheat for feed	1190.00	None	K	Immediately.
Other wheat feeds, n. e. s	1190.00	None	None	
Oyster shells	1182.00	None	K	Immediately.
Grains and Preparations:				
Corn (bu. 56 lbs.) (include seed and popcorn) (report popped corn in 1099.00).	1031.00	None	K	Immediately.
Seeds, Except Oil Seeds:				
Field and garden seeds:				
Carrot seed	2468.50	None	K	Immediately.
Flower seeds	2467.00	None	K	Immediately.
Timothy seed	2405.00	None	K	Immediately.
Other grass and field seeds	2419.00			
Bird seed	2419.00	None	K	Immediately.
Bromegrass seed	2419.00	None	K	Immediately.
Ensilage corn seed	2419.00	None	K	Immediately.
Lespedeza, Korean, seed	2419.00	None	K	Immediately.
Sorghum seed	2419.00	None	K	Immediately.
Wheatgrass, crested, seed	2419.00	None	K	Immediately.
All other grass and field seeds, n. e. s	2419.00	None	None	
Other vegetable seeds (include mushroom spawn and tree seeds) (report seed beans in 1201.50, seed peas in 1202.50, seed potatoes in 1211.00 and seed grain in specific grain classes).	2468.90	None	K	Immediately.

No. 590—*Current Export Bulletin No. 218, December 23, 1944*

I. *Use of Postal Delivery Zone Numbers—Placement of Return Address*

The Post Office Department has notified the Foreign Economic Administration of delays in the delivery of approved export licenses and other documents mailed by FEA because of the omission of postal delivery zone numbers. It should be noted that the Foreign Economic Administration cannot indicate these numbers on outgoing mail unless applications and correspondence received from the export trade carry zone numbers. As announced by the Post Office Department some months ago, the use of postal delivery zone numbers was made necessary by the shortage of trained postal clerks and the increased volume of wartime mail. The zone number system greatly simplifies the sorting of mail in post offices and enables inexperienced personnel to handle the mail expeditiously. Unless the addressee's zone number is shown on all mail, delivery may be considerably delayed.

Exporters are therefore urged to make certain that the correct postal delivery zone number is included in the address given for the return of the approved export license (FEA 419, FEA 151) or statement of cargo availability (FEA 138). Acknowledgment cards attached to applications should carry the addressee's zone number, and correspondence addressed to the Foreign Economic Administration should show the writer's zone number.

Use of Rubber Stamps—Space is provided on the back of FEA 419 (question 10) and FEA 151 (question 29) and on the front of FEA 138 (question 17) for the address to which the approved document is to be sent. Applicants using a rubber stamp to enter the return address on these forms should be sure that the stamp fits *within the space provided.*

Nondelivery of Bulletins—Recently a number of exporters have reported that they have failed to receive one or more of the Current Export Bulletins. Investigation disclosed that incorrect or incomplete addresses were responsible for nondelivery of the bulletins. All firms, individuals, and associations on the Foreign Economic Administration's mailing list for Current Export Bulletins are asked to examine the wrapper of the bulletins received to see that the address thereon is correct and includes the postal delivery zone number. Any necessary changes, particularly the addition of zone numbers, should be reported to the Requirements and Supply Branch, Foreign Economic Administration, Washington 25, D. C., immediately.

II. Commodities That May Be Exported to the Other American Republics Under the BLT (Blanket) Export License Procedure

The provisions regarding applications for a BLT (Blanket) export license as outlined in Comprehensive Export Schedule No. 16, Section II, Part 4–A, pages 168–170, are extended to the commodities listed below.

Commodities previously included under the BLT export license procedure are indicated in the Comprehensive Export Schedule No. 16, Section I, pages 8–85.

Commodity	Schedule B No.
Tools: metal-cutting, CMP 362:	
Bits: cemented carbide: hard alloy	6167.98, 7443.82.
Bits: router, tool, metal-cutting	6167.98, 7443.82.
Blades: hand saw: metal-cutting	6154.43.
Blades, cutoff, finning, gear generator, saw (except diamond) metal-cutting	7443.98.
Blades: hand and power hacksaw: metal-cutting	6154.43, 6154.98.
Broaches: machine, flat spline	7443.15.
Burrs: rotary: metal-cutting	7443.19.
Chasers: threading	7443.82.
Counterbores: metal-cutting	6167.43, 6167.98.
Countersinks, ship plate, metal-cutting	6167.43, 6167.98.
Cutters: cemented carbide (hard alloy tipped) form relieved, gear shaper (spur, helical, herringbone) inserted blade, milling rack (gear cutting) metal-cutting	6167.43, 7411.00, 7443.19.
Dies: button, cemented carbide drawing, threading (metal-cutting), wire drawing cemented carbide	6169.43, 7443.82.
Drills: carbon steel: bit stock, blacksmith, straight shank	6167.98, 6167.43.
Drills: countersinks, twist: metal-cutting	6167.43, 6167.98.
Files: burrs: rotary, metal-cutting	7443.82.
Heads, die: threading: metal-cutting	6169.43, 7443.82.
Hobs: gear, metal-cutting	7443.82.
Hobs: threading	7443.82.
Knives: metal-cutting: machine, shear	6118.05, 6118.09.
Laps: gear finishing	7443.17.
Mills: end, metal-cutting	7443.82.
Plates: screw	6168.43, 7443.82.
Reamers: align, bearing (main), bushing (piston pin), connecting rod, conduit, metal working (hand, machine), piston pin, pipe, valve guide	6167.43, 6167.98, 7443.19.
Saws: solid circular, slitting, metal-cutting	6155.18.
Taps: collapsible, metal threading	6168.43, 7443.82.
Tips: carbide, hard alloy	7443.82.
Tips: cemented carbide: hard alloy	7443.82.
Tools: boring, metal-cutting	7403.09, 7404.09, 7443.82, 7455.98.
Tools: cutting: carbide tipped, tungsten carbide tipped	6167.43, 7411.00, 7443.19.
Tools: gear finishing	7443.17.
Gages and machinists' precision measuring tools CMP 658:	
Analyzers: surface	6178.90, 7038.98.
Balancing machines: machinists': machine tools, metalworking	6197.00, 7455.01.
Bars: sine: machinists'	6178.98.
Bevels: machinists'	6178.95.
Blocks and rolls: angle	6178.98.
Blocks: bench, gage, sine: machinists'	6178.90.
Bullet machines: inspecting	7099.93.
Buttons: die, toolmakers'	6169.98, 6169.43.
Calipers: gear tooth, pocket slide, vernier, not dial equipped	6178.95.
Centers: bench: machinists'	6178.90, 7443.98.
Clamps: key seat, parallel, rule, toolmakers': hand tools	6178.98.
Comparators: metalworking	7099.93, 7099.98, 7750.07, 9190.01.
Demagnetizers	7099.98.
Detectors: leak, seam testers	9190.98.
Discs: setting: master, machinists'	6178.98.
Dividers: machinists'	6178.95.
Edges: straight: machinists'	6178.95.
Electrical and mechanical testing equipment: metallurgical	7038.05, 7038.98, 9190.03, 9190.98.
Extensometers	7038.98, 9190.01, 9190.03, 9190.98.
Fixtures: gaging: alignment, built up, simple: machinists'	6178.90, 7750.07.
Fixtures, sine	6178.90, 7750.07.
Flats: toolmakers'	6178.95.
Gage block sets and accessories	6178.90, 6178.98.
Gages: air (precision), electric: metalworking	7038.98.
Gage: angle, ball, button, center, circumference, cutter clearance, cylinder, depth dial indicating (linear measurement), drill, drill point, fillet, height, hole, planer, radius, screw pitch, screw and wire, surface taper, telescope, thickness, thread, wire or rolling mill: machinists'.	6178.90, 7036.05, 7036.98, 7038.05, 7038.98, 9190.01, 9190.03, 9190.98.
Gages: camber (not automotive), chamber, concentricity, flush pin, inspection, length, pin, plug, production, profile, ring, snap, terneplate: machinists'.	6178.90, 9190.01.
Gages: electric: metalworking	7036.05, 7036.98, 7038.05, 7038.98, 7099.93.
Gages: flush	6178.90.
Gaging machines: precision	7036.05, 7036.98, 7038.05, 7038.98, 7099.93, 9190.01, 9190.03.
Hold downs: toolmakers'	6178.98.
Indicators: alignment	6178.90, 7038.98, 9190.01.
Indicators: dial: linear measurement	6178.90, 7038.98, 9190.01.
Indicators: dial test: precision	6178.90, 7038.05, 7038.98, 9190.01, 9190.03, 9190.98.
Inspection equipment: magnetic	6178.90, 7099.93, 9190.01.
Inspection machines: precision: metalworking	7099.93, 9190.01.
Irons: angle: magnetic, plain	6178.90, 7099.98.
Knees: toolmakers'	6178.98.
Levels: machinists'	6178.98.
Magnetizers	7099.98.
Measuring instruments: light wave machinists' precision, surface	7099.93, 9190.01.
Measuring machines: gear, metalworking	7099.93, 9190.01.
Micrometers: internal, external, super	6178.05, 9190.01.
Microscopes: Brinell, toolmakers	9149.50.
Parallels: box, ground, precision: machinists'	6178.98.
Points: penetrator: hardness testing	7036.05, 7038.05, 9190.03.
Profilometers: surface measuring	7099.93, 9190.01.
Projectors: contour measuring	7099.93, 9190.01.
Protractors: aircraft propeller	6178.95, 9190.98.
Protractors, machinists' precision measuring	6178.95, 9190.98.
Recorders: stress, strain	7037.00, 9190.98.
Rods: end measuring: machinists'	6178.98, 9190.98.
Rules: steel: machinists'	6178.98.
Scales: steel: machinists'	6178.98.
Scleroscopes	9190.03.
Sets: square: combination, machinists'	6178.95.
Stands: aircraft propeller balancing	7038.98.
Testers: center: hardness: seam: leak detectors: tensile: impact, physical, small (for welding).	7038.05, 7038.98, 9190.03, 9190.98.

What Outlook for Fertilizer Exports?

(Continued from p. 44)

dle of the last decade, demand has exceeded output. During 1942 and 1943, production declined approximately 50 percent from the 1929–41 average, as a result of adverse meterological and oceanographic conditions, which have diminished the food supply of the birds and caused a heavy mortality among them. Guano distribution is now under Government control, and is allotted for food-crops only, none being available for such staple crops as sugar, cotton, and flax, or for export. Some improvement is expected in supplies for 1944, but they will still be less than 45 percent of requirements.

To compensate for the shortage of guano, efforts were made to stimulate production of fish meal and cottonseed meal and to import more sodium nitrate from Chile. In 1937, approximately 29,000 tons of mineral fertilizers, valued at $898,500, were imported, consisting largely of potash salts, with some basic slag, ammonium sulfate, and Chilean nitrate. Germany furnished 57 percent by value of the 1937 imports, and Chile, the United Kingdom, and the United States accounted for 36, 5, and 1 percent, respectively. Imports lagged during 1940 and 1941, but in 1942 and 1943 they exceeded the quantity received in 1937, Chile being the chief source.

Venezuela

Little data are available on use of fertilizers in Venezuela. The soil is relatively fertile in regions of sufficient rainfall, and consumption of artificial fertilizers has been small. There is no production of mineral fertilizers, but supplies of guano and goat manure are available for local use and export. Pre-war imports of fertilizers were largely from Germany. Between 1937 and 1940 exports from the United States to Venezuela were on the increase, amounting to $166,600 in 1940. In that year, prepared mixtures made up 48 percent of the total; nitrogenous materials, 36 percent; potash, 8; and superphosphate and other phosphatic materials, 8. There was a decided decline in shipments in 1941, only prepared mixtures showing an increase.

Far East

The densely populated Far Eastern countries normally consume fertilizers and fertilizer materials and after conclusion of hostilities should require exceedingly large imports. The United States participated in the past in the trade, but not to the extent of the leading European competitors. In 1937 the United States exported more than $5,000,000 worth of fertilizers and fertilizer materials to Asia—more than $3,000,000 worth to Japan, $1,000,000 to the Philippine Islands, and $700,000 to the Netherlands Indies.

China used relatively little commercial fertilizer prior to the outbreak of hos-

(Continued on page 47)

Commodity	Schedule B No.
Gages and machinists' precision measuring tools CMP 658—Continued.	
Testing equipment: aircraft propeller governor	7038.98, 9190.98.
Testing equipment: photoelectric: aircraft crankshaft strain	7038.98, 9190.98.
Testing machines: gear, gear checking, physical property, metal fatigue, torsion, metalworking.	7038.05, 7038.98, 9190.03, 9190.98.
Testing units: aircraft propeller slip ring mounting	7038.98, 9190.98.
Tools: precision measuring, including hand	6178.90, 6178.95, 6178.98, 7036.05, 7036.98, 7037.00, 7038.05, 7038.98, 7099.93, 7099.98, 9190.01, 9190.03, 9190.98.
Tools: vernier	6178.95, 6178.98.
Trammels: machinists'	6178.98.
Wigglers: machinists'	6178.98.
Wires: thread measuring	6178.90.
Abrasive products: made from manufactured or natural abrasives (CMP 720):	
Abrasives: aluminum oxide: crude: regular, special, white	5411.98.
Abrasives: coated, compound finishing, reclaimed	5418.00, 5419.00.
Abrasives: silicon carbide	5411.98.
Aluminum oxide: fused	5411.98.
Belts: abrasive	5419.00.
Blades: diamond: abrasive	6155.15, 6156.05, 6178.91, 7485.12.
Brick abrasive	5419.00.
Cake: polishing: emery	5419.00.
Carborundum	5411.98.
Carriers: aluminum oxide: catalytic: abrasive grain	5411.98.
Chucks: segmental: abrasive	7443.71.
Cloth: abrasive	5418.00.
Discs: abrasive: cloth, nut inserted, paper, sanding, steel backed mounted (vitrified, resinoid).	5418.00.
Discs, points: dental: diamond	5409.05, 9150.00
Dressers: emery wheel, grinding wheel: abrasive	5405.00
Finishing compound: abrasive	5419.00.
Fire sand	5411.98.
Flours: abrasive	5411.98.
Grinders: knife	5406.00, 5412.00.
Grinding compounds: valves	5419.00.
Grindstones	5406.00, 5412.00.
Hones, not automotive cylinder, piston pin	5409.98, 5419.00.
Hones: diamond	6178.91.
Lapping compounds: finishing (include diamond)	5419.00.
Millstones, manufactured	5412.00.
Pads: abrasive: sander	5418.00.
Paper: abrasive sand	5418.00.
Points: abrasive: dental (including diamond)	9150.00.
Porous media: abrasive	5409.98, 5411.98.
Powders, abrasive optical	5411.98.
Saws: diamond	6155.15, 6156.05.
Segments: abrasive	5409.98, 5419.00.
Sharpeners: knife: abrasive	5409.98, 5419.00.
Sticks: abrasive, dressing, honing, lapping	5409.98, 5419.00.
Stones: jointer, manufactured mill, oil, pulp, reamer scythe, sharpening, superfinishing.	5419.00.
Tools: diamond: boring, cutting (pointed), dressing, drilling, hardness testing.	6178.91.
Wheels: abrasive: arbor center mounted (vitrified, silicate: high speed), bonded (resinoid, rubber, shellac), centerless control, coping, cylinder, metal bonded (diamond), mounted (dental industrial), resinoid cut off, resinoid (diamond: metal center), resinoid (high speed), steel center, superfinishing, valve seat (not automotive, vitrified).	5405.00, 5406.00, 5409.05, 5412.00, 6178.91.
Wheels: buffing, polishing: metalworking	5405.00, 5412.00.
Whetstones	5409.98, 5419.00.

Note: The commodities listed above are shown with the appropriate CMP numbers as well as the Schedule B numbers. In determining whether commodities under these CMP headings may be exported under the BLT (Blanket) export license procedure, the description of the commodity and not the Schedule B numbers shall govern.

No. 591—*Trade Relations Supplement to the Current Export Bulletin—No. 3, December 26, 1944*

There are a number of reports emanating from various foreign countries to the effect that the United States Government is encouraging and promoting bulk buying by foreign government purchasing missions in the United States, rather than encouraging procurement of supplies through established trade channels. Such reports do not accord with the facts and are contrary to the established and announced policy of the United States Government.

A directive from the United States War Mobilization Committee specifically instructs the Foreign Economic Administration to "so administer its controls, consistent with the war exigencies, as to maintain and strengthen private trade channels and protect the trade position of the United States."

In accordance with these instructions, the Foreign Economic Administration does not and will not give preference or assign any higher priority to applications for export permits from Foreign Purchasing Missions than those assigned to applicants from the trade, where similar materials and commodities are involved and the end use is comparable.

Committees on Imports

To satisfy domestic import demands and in recognition of the foreign trade principle that it takes imports to pay for exports, F. E. A. is forming advisory business committees to consult with F. E. A. on importation of nonstrategic materials which are available in liberated countries. There is a military reason as well for encouraging such imports, since the Army needs warehouse space in liberated areas. When F. E. A. is advised that an exportable surplus is available in one of the liberated areas, a study is made of the usual channels of trade through which the commodity has been imported in the past. An advisory committee of importers of the commodity is appointed by the Trade Relations Staff and is invited to meet with those in F. E. A. concerned with the problem to furnish information regarding demand, pricing, packing, inspection methods, and other related matters.

An over-all Import Advisory Committee is now being formed, with representation from Boston, Rochester, Providence, New York, Philadelphia, Charlotte, N. C., Cincinnati, Cleveland, Detroit, New Orleans, Los Angeles, San Francisco, Portland, Seattle, and Spokane. The Committee, which will advise on import policy as affected by F. E. A. controls will be expanded as new imports return to private channels. Committee members, so far selected are:

Edward Beattie, Lenape Trading Co., 233 Broadway, New York, N. Y.

Charles Dana Draper, Draper & Co., 540 Atlantic Avenue, Boston 10, Mass.

Roland Gsell, R. Gsell & Co., 15 West 37th St., New York 18, N. Y.

Charles R. Hoy, Carson, Pirie & Scott & Co., 1 South State Street, Chicago, Ill.

Ferdinand Larson—White-Lamb Finlay, Inc., 54 Worth Street, New York 13, N. Y.

Timothy J. Mahoney—J. Aron & Co., 91 Wall Street, New York, N. Y.

Robert W. Milbank, Jr.—Milbank Leaman & Co., 2 West 46th Street, New York 19, N. Y.

A. Q. Peterson—Wesson Oil, Wesson Oil Co., New Orleans, La.

Richard D. Quinlan—Parrott & Co., 320 California Street, San Francisco, Calif.

Morris S. Rosenthal—Stein Hall & Co., 285 Madison Avenue, New York 14, N. Y.

David E. Schwab—David E. Schwab & Co., 417 Fifth Avenue, New York 16, N. Y.

William R. Strelow—Guaranty Trust, 140 Broadway, New York 15, N. Y.

Richard F. Warner—Frazor & Co., 50 Church Street, New York 7, N. Y.

Thomas R. Williams—Ichabod T. Williams & Sons, 11th Avenue & 25th Street, New York, N. Y.

Imports From Italy

Three shipments of Italian merchandise valued at about $1,200,000 have arrived in the United States in the last few weeks, consigned to the U. S. Commercial Company, which will dispose of them as agent for the Allied Commission in Italy. These shipments are by far the largest from Italy since Allied troops landed and are believed to be the forerunner of increasingly large shipments. Present shipments include strategic materials, to be distributed by FEA as directed by the War Production Board and the War Food Administration, and other goods to be distributed on an equitable basis among importers for sale in the open market.

WPB will direct the distribution of approximately 96,000 pounds of red squill, an important element used in the extermination of rats, and 224,000 pounds of argols, a base for chemicals. WFA will direct the distribution of 74,000 pounds of lemon oil and 20,000 pounds of onion seed. Other commodities in these three shipments are 90,000 pounds of bergamot oil, 1,000 pounds of orange oil, 66,000 gallons of wine, and 5,500 bags of briarwood.

The U. S. Commercial Company will utilize private importers and private trade to the fullest practicable extent in distributing the supplies in the United States.

Because of conditions existing in Italy, no private import-export trade is possible at this time. The Allied Commission, with the advice of FEA, after consultation with the trade, is the purchaser of all commodities available in Italy for export. The funds obtained from the sale of these goods will be made available in this country for the use of the Italian Government.

South African Trade Mission

A group of members of the Organization of the Director General of Supplies of the Union of South Africa has just spent several weeks in this country visiting American factories, contacting American exporters, and investigating the post-VE-Day supply position with members of the Government. South Africa, like most other countries in the world, needs new industrial equipment, but has an even more urgent need for building materials. Structural timber and machinery for making bricks and cement head their "must list."

Importers Choice for Items in Long Supply

During the war, essential requirements of certain countries have been programmed through the United Kingdom and the United States combined area committees. Requirements have been screened and the sources of supply designated. As many items are now in ample supply, the question has been raised as to what effect a policy of "importer's choice" of items in long supply would have upon the flow of trade. The country from which such items are procured would thus not be designated by the combined area committees but would be selected by importers themselves.

On September 29 the Executive Committee on Economic Foreign Policy (top policy committee consisting of representatives from all government agencies concerned with economic foreign policy) adopted the principle of "importer's choice" for commodities in long supply, subject to certain reservations, including availability of shipping.

Where exports from the United States involve the use of lend-lease funds, the United States cannot always accept "importer's choice" because of such factors as availability of supply and the need for economy in the expenditure of lend-lease funds.

Trucks to Place Orders

Three Turkish businessmen, with full authority to carry out their mission, have arrived in the United States, where they intend to place orders for factory and mining equipment in the amount of $15,000,000.

They will appoint agents in the United States to whom they will give full authority to accept delivery of equipment, to effect immediate payment therefor, and to arrange for its shipment to Turkey. The delegation will consist of Bulent Buktas, vice president of the government-owned Sumer Bank, about which much of Turkey's economy revolves, the chief engineer of the ETI Bank, and the manager of the Eregli coal mines for the ETI Bank.

The British and American Governments, in accordance with their desire to facilitate and expedite the flow of goods in commerce to and from Turkey, are publishing a list of items which will continue to require British-American Coordinating Committee action. The list appears in Current Export Bulletin No. 217 (Announcement 589 above), and the trade will be notified as changes are made. Moreover, it is emphasized that due to world supply shortages, certain items for which British-American Coordinating Committee consideration is no longer required will not necessarily be available in unlimited quantities.

The American Ambassador to Turkey has notified this government that Turkey has granted a premium of 40 percent on exchange of dollars for Turkish lira to be used for the purchase of Turkish goods for export. Effective November 15, 1944, American importers will obtain approximately 1.80 lira for a dollar, as against the previous rate of exchange of 1.29 lira to the dollar.

Tea Allocations

The Office of Food Programs announces that tea allocations will permit the approval between now and March 31, 1945, of license applications for approximately the same average annual amount of tea exported to Latin American countries for the period from 1934 to 1938.

Exports to Netherlands West Indies and Surinam

The Netherlands Purchasing Commission has advised F. E. A. that after January 1, 1945, exporters no longer will be required to apply to the Commission for shipping reference numbers but instead can apply for shipping space to steamship company directly or through their forwarding agents.

Import permits, however, will continue to be required for imports into the Netherlands West Indies and Surinam (Netherlands Guiana).

What Outlook for Fertilizer Exports?

(Continued from p. 45)

tilities with Japan in 1937, but there was a movement to increase consumption. China could be the largest prospective customer for fertilizers—its population exceeds 450,000,000, yet its cultivated area is approximately only two-thirds that of the United States. Prior to the war most of the cultivated land was used for food production; the nonfood crops consisting mostly of cotton and tobacco.

The use of fertilizers in India is understood and has become firmly established. During the period between World War I and World War II, the increase in fertilizer imports showed a steadily growing demand, as a result of progress made in educating the agriculturist to recognize the benefits derived from the use of fertilizers. Although fertilizers are produced in India, there are plans for increasing the production.

Prior to the outbreak of World War II, there was a good demand for fertilizers in the Philippine Islands; imports from the United States and Germany were considerable, and small amounts were received from Japan. The total imports in 1937 reached 55,000 metric tons, 65 percent of which was ammonium sulfate. Since 1929, 90 percent of the United States exports of fertilizers to the Philippines has consisted of nitrogenous products. The average annual value of United States fertilizer shipments to the Islands has fluctuated around $1,000,000.

In the period 1929–31 there was a very large demand for fertilizers in the Netherlands Indies, principally in the cultivation of sugarcane, and on other European- and American-owned plantations. After that, the consumption declined somewhat, but, with improved financial status of agricultural enterprises, imports increased again, particularly of potassic fertilizers, superphosphates, and ammonium sulfate.

Inasmuch as this article is designed primarily to point out the markets where the future is more or less definitely outlined, the foregoing notes on the large potential fertilizer markets in the Far East are merely to indicate the possibilities of the area.

Conclusion

As the soils of the world lose their fertility, and as the people of the various areas devastated by war become hungry, interest in fertilizer increases.

There would be no difficulty in estimating the future of the fertilizer markets of the world if they would correspond to even the lowest subsistence levels. But people who cultivate the soil merely to feed themselves have no money with which to buy the necessary chemicals needed after soil exhaustion. Under conditions which exist at the inception of agricultural development, farms may be self-sustaining sometimes for a long period, even hundreds of years, but eventually the soil plays out and it becomes necessary to purchase plant food.

Some of the principal United States fertilizer producers expect what they call an "enormous foreign market." Many foreign countries will be able to finance wholly or partly their extraordinary requirements of United States goods after the war. This will include most of the Latin-American and several European countries which built up large dollar holdings. But other countries, including several of the Allies and probably all the enemy countries, may require assistance in paying for their relief needs. Countries which may need assistance have been among the best customers for fertilizers from the United States.

European dislocations affecting present production in plants which have escaped damage, and the destruction of other plants, have reduced the fertilizer supplies to below minimum requirements. Countries have been unable to import phosphates. War has reduced the available quantity not only of phosphates, but of all the essential elements necessary for the production of crops.

Aviation in Peru

(Continued from p. 15)

tion to connect coastal areas with the navigable waters in the Peruvian basin, and to provide an outlet to world markets.

Railway Connections

Callao and Lima are connected with the Andean plateau by the Central Railway of Peru, some 335 miles in length, extending to the mining sections. Railways have made important contributions in Peru in handling strategic metals, minerals, and other products. Short spur lines connect various ports towns.

The Southern Railway operates from Mollendo to Cuzco by way of Arequipa and Juliaca and from Juliaca to Puno, port city on Lake Titicaca. Steamers move traffic to the Guaqui Railway operating exclusively through Bolivian territory to La Paz.

Highway Arteries

When Incaic culture flourished in Peru, an elaborate system of trails was in use which through the years has been developed into a network of national highways, rapidly being extended. Good highways now provide transportation facilities with the capitals of Chile, Bolivia, and Argentina.

The Pan American Highway is the backbone of the entire road system and offers facilities to supplement other media of transportation serving the principal Peruvian ports and through branches reaching the interior. It extends from Tumbes, most northerly port of Peru, on the Pacific, and continues southward through port towns. At Vitor, near Arequipa, it divides—one spur leads to the Peruvian-Chilean frontier and down the coast, the other spur skirts Lake Titicaca and continues to La Paz (Bolivia).

Waterways

Rivers in Peru flow from the Andes to both the Atlantic and the Pacific. The natural outlet for products for the eastern slopes has been by way of the rivers of the Amazon system through Brazilian ports. Lake Lauricocha and Lake Junin are important sources of rivers which thread through the lowlands.

Along the arid coastal plain which stretches 1,400 miles beside the Pacific Ocean, coastal steamers and ships of all maritime nations, in normal times, serve important ports. In 1941, a total of

15,795 vessels cleared the ports of Peru. Thousands of miles of connected waterways through green jungles and tropical forest land along the eastern slopes of the Andes provide transportation facilities.

Tomorrow's World

A way of life, centuries old, is changing in Peru. Strips hacked out for landing fields will become airports. Commerce will flow along the trade routes of the air, and an intensification of air traffic, improvements in roads and water facilities all will reduce the need for transportation by mule-back and other primitive methods.

Peru, Bolivia, Brazil, and Colombia are working together to supply transportation facilities to the Amazon Basin to link that productive area with more seaboard ports. New industries are forging ahead with raw materials which aviation is now making easily available.

Australian Apiculture

Bee farming in New South Wales, Australia, has been extended considerably during the past few years, according to the foreign press. There are three main types of apiarists:

(*a*) Those working within their home district, who only move their bees from one locality to another within a limited range.

(*b*) Those who operate on the home sites during the average productive season, and move to other districts or divisions to avoid the off season at home.

(*c*) Those who do not settle down for any length of time in any particular section. These have commenced their activities more recently.

A new Apiaries Amendment Bill, to be introduced to Parliament, is said to contain provisions designed to minimize the risk taken by the locally established apiaries in being encroached upon by migrated apiaries. Another matter of concern is the disruption of the home life where migratory bee farming is practiced on a full-time basis.

Trade Lists

The Commercial Intelligence Unit recently has compiled the following trade lists of which mimeographed copies may be obtained by American firms from the Bureau of Foreign and Domestic Commerce. The price is $1 a list for each country.

Beverages, Manufacturers—Trinidad.
Machinery, Importers and Distributors—British Honduras.
Sawmills—Peru.
Textile Industry—Peru.

New Books and eports

★The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Interest to Businessmen Appearing in the Department of State Bulletin December 17, 1944.

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for the price of 10 cents each; subscription price $2.75 a year. The December 17 issue contains these articles:

SUSPENSION OF TONNAGE DUTIES RESPECTING ECUADOR.

ISSUANCE OF VISAS IN ITALY AND IN FRANCE.

JAPANS MANDATED ISLANDS: ARTICLE BY GEORGE H. BLAKESLEE.

UNITED STATES REPRESENTATIVE ON UNITED NATIONS INTERIM COMMISSION ON FOOD AND AGRICULTURE.

THE PROCLAIMED LIST.

DUMBARTON OAKS PROPOSALS:

Statement by the Secretary of State.
Address by Joseph C. Grew.
Address by Leo Pasvolsky.
Address by Durward V. Sandifer.
Meeting of Representatives of the American Peace Society and Government Officials.

AGREEMENTS RELATING TO AIR TRANSPORT SERVICES.

NAVAL-MISSION AGREEMENT WITH VENEZUELA.

FIRST PROGRESS REPORT OF THE JOINT SURVEY GROUP: ARTICLE BY ALAN N. STYNE.

Other Publications

BEYOND ALL FRONTS. Max Jordan. 1944. 400 pp. Price, $3. Points out the interrelation between World Wars I and II, tracing events through the years from the Treaty of Versailles through the rise and fall of the German republic to the present world-wide conflict. The author throughout stresses the problems which will arise from this war, in an effort to encourage honest appraisal of the question: Will the coming armistice in Europe lead to a real peace?

Available from: The Bruce Publishing Co., 540 North Milwaukee Street, Milwaukee 1, Wis.

NETHERLANDS INDIA. J. S. Furnivall. 1944. 527 pp. Price, $4. A history of the economic development of the East Indies, giving also a detailed account of social and political growth.

Available from: The Macmillan Co., 60 Fifth Avenue, New York 11, N. Y.

BRITAIN AND THE INDEPENDENCE OF LATIN AMERICA 1812–1830. C. K. Webster. 1944. 79 pp. Price, $1.25. Presents the causes and character of Latin America's struggle for independence and shows how its emancipation was influenced by Great Britain.

Available from: Oxford University Press, 114 Fifth Avenue, New York 11, N. Y.

Contributors' Column

C. C. Concannon ("What Outlook for Fertilizer Exports?").—For biographical sketch, see the October 16, 1943, issue of FOREIGN COMMERCE WEEKLY.

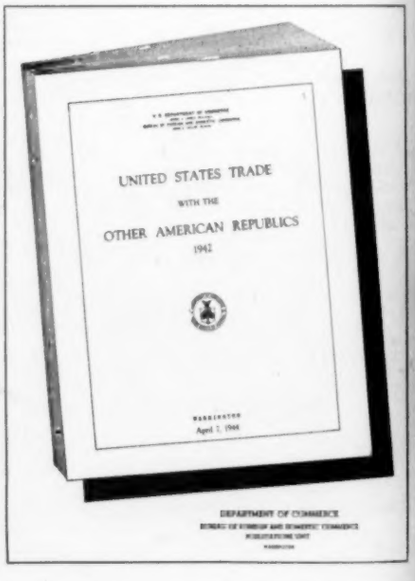
Mary B. MacKrill ("Aviation in Peru").—See the August 12, 1944, issue of this magazine.

Mary E. Poole ("Britain's Books—A Wartime Casualty").—See last week's issue.

William L. Smyser (co-author "Spanish Bottle Industry").—See the November 25, 1944, issue.

Amos E. Taylor ("New Forces in World Economy").—See the October 23, 1943, issue.

Catherine B. Welch (co-author "Spanish Bottle Industry").—See the November 27, 1943, issue.



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